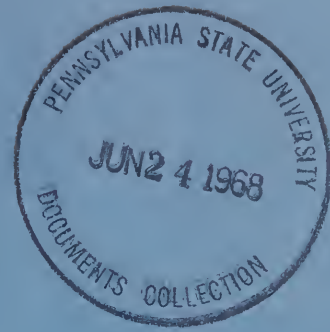


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They Did It ... Why Not You?

How communities have created jobs and
assured a brighter future for their citizens


A publication of the Office of Public Affairs, Economic Development Administration

They Did It . . . Why Not You?

How communities have created jobs and
assured a brighter future for their citizens

U.S. DEPARTMENT OF COMMERCE
C. R. Smith, Secretary

Ross D. Davis, Assistant Secretary
for Economic Development



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FOREWORD

"Nothing succeeds like success."

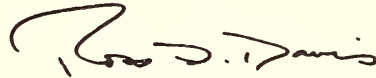
This is the theme of this booklet, relating how communities have been able to convert economic adversity into economic success, which in turn serves as a foundation for continued growth and development.

While this is the telescoped story of these communities, their success cannot be reduced to any precise formula applicable to every city, town or village in the country.

All communities are different. They have varying means to carry out the revitalization process, and the people have different desires and goals. There is, however, a common element in all of these stories. That element is the desire and determination of the people to do something about their economic future.

The growing national economy can bring the conditions for development, and Federal assistance such as EDA grants and loans can give a boost. But without the community's desire to help itself and plan its future, no amount of assistance—from whatever source—is capable of doing what the people themselves are not interested in doing.

It is this desire that gives meaning to the theme, and substance to the action.

A handwritten signature in dark ink, appearing to read "Ross D. Davis". The signature is fluid and cursive, with a large initial "R" and "D".

ROSS D. DAVIS
*Assistant Secretary of Commerce
for Economic Development*

The period covered by these success stories runs from August 1965, when President Lyndon B. Johnson signed into law the Public Works and Economic Development Act, to April 1968.

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Pluck . . . and Pellets . . . Quicken Economic Pace

Tac'-o-nite Spells New Jobs for Hibbing

Once a flourishing retail and service center for the iron-mining industry, Hibbing, Minnesota, has found itself in economic trouble in recent years as the depletion of high-grade ore has been accompanied by an increasing demand by steel makers for iron pellets.

Today, with the revival of the iron industry in the area through the manufacture of pellets from low-grade taconite and with its own determined move toward industrial diversification, Hibbing is on the move again. Hibbing is achieving its economic revival with a substantial boost from the Economic Development Administration.

Hibbing is in St. Louis County in the heart of the northeastern Minnesota iron-producing region. This area for years led the world in the production of high-grade ore, which was shipped from Duluth via the Great Lakes to steel-making centers.

Robert S. Nickoloff is President and Counsel of the First Federal Savings and Loan Association in Hibbing. He also is Attorney-Adviser to the Hibbing Area Redevelopment Agency (ARA) and a member of the National Public Advisory Committee on Regional Economic Development. He tells the story this way:

"When the natural ores were strong in the 1950's, we had in our area a work force of about 9,000 persons. But about 1958, when the steel market softened and the demand turned to pellets, our labor force was cut in half—to about 4,500. Some migrated out and some stayed here unemployed. We had high unemployment in the early 1960's."

The official figures bear him out. In 1962 the unemployment rate for St. Louis County, excluding

Mining Taconite

Taconite is a hard grey rock containing a low-grade iron ore. As the high-grade ores were mined out, it was originally thought that the taconite could not be profitably mined.

Now a new method has been devised to mine the taconite using jet flames with a temperature above 4,000 degrees. Machines then crush the ore, magnetize it, and roll it into small pellets that are then baked to give a product that is richer per ton than natural ore.

the City of Duluth, was 9.9 percent. The rate was 11.9 percent in 1963, and was still a high 9.4 percent in 1964, although people in the work force were leaving the area to search for jobs.

While the population of Hibbing in the decade 1950 to 1960 increased 9 percent, to 17,731, productive younger workers were leaving the area and reducing what would have been a greater natural rate of growth.

When the Area Redevelopment Act was signed into law on May 1, 1961, the people of Hibbing immediately seized on this opportunity to obtain Federal assistance in reviving their flagging economy. They organized the Hibbing ARA, drew up an Overall Economic Development Program, and immediately began work on specific projects to create new jobs.

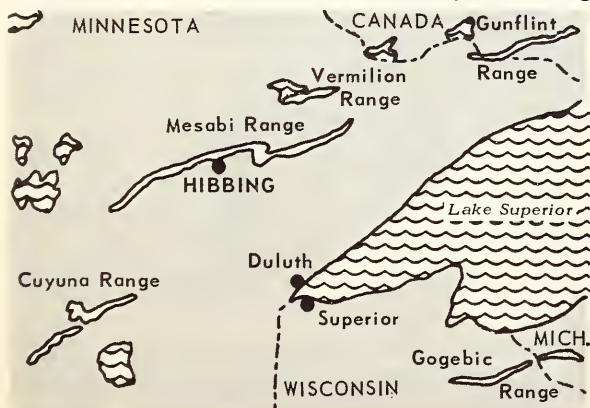
The Hibbing ARA developed a 20-acre industrial park near U.S. Highway 169. Three of the four firms now operating in the park received business development loans through the Federal economic development program—either from EDA or its predecessor agency, the Area Redevelopment Administration.

Sale of Stock Attracts Small Investors

"In order to obtain the Federal loans," Nickoloff says, "the community had to invest in the projects. We put together a local development corporation and raised \$130,000 by selling stock throughout the community. We had a few large investors, but much of the support came from small businessmen and the working people of Hibbing."

The firms that received Federal assistance are:

- Hibbing Precision Industries, an electronics manufacturer and machine shop operation—a \$357,500 loan approved in October 1963.



• Mesabi Cores, Inc., a radiator manufacturing firm with 18 employees—a loan of \$65,000 approved in August 1964.

• Industrial Applicators, Inc., a firm with 20 employees that bonds rubber coatings to pumps, belts, chutes and other equipment used in the taconite industry—a \$297,500 loan in July 1965, to help it expand and move into the industrial park.

Most of the full-time jobs created in the industrial park to date are at Hibbing Precision Industries. The firm has been experiencing rapid growth in the last year and now has 200 employees. Its early contracts were mostly for defense work, but it has been able to diversify its customer list so that about 50 percent of its business is in the civilian economy.

In March 1967, Precision Industries leased the Duluth Avionics Building to expand the electronics division of its operation. It expects the expansion to mean the eventual addition of 185 employees.

To provide water service to its expanding industrial and commercial development, Hibbing obtained from EDA in June 1966, a \$358,800 grant to help install new transmission lines.

According to Nickoloff, much of the recent success in stimulating the local economy can be traced to a 1964 referendum in which the people of Minnesota amended their constitution to provide that taconite pellet producers would be taxed as manufacturers,

rather than at the higher rate of extractive industries.

"Since that time," he explains, "there has been about \$750 million invested in taconite plants in this area of Minnesota."

Taconite Provides A Stable Economy

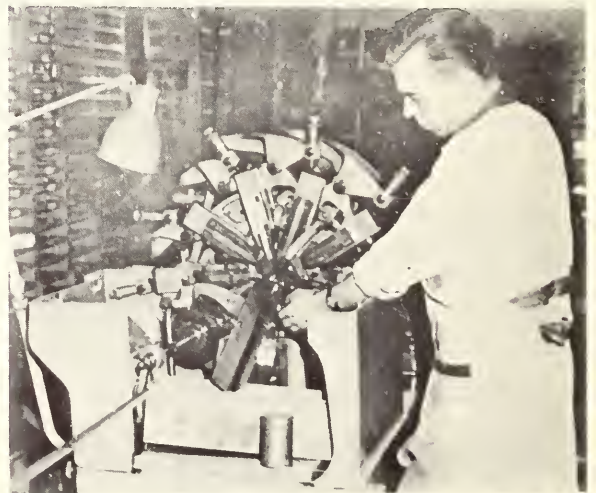
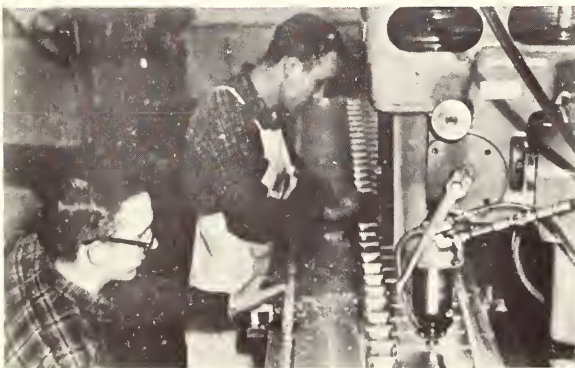
Bert E. Ackerson, editor of the *Hibbing Tribune* and a member of the Hibbing ARA, believes that the taconite pellet industry will provide the area with the most stable economy it has ever known, because the operation is year-round, while iron mining "was always seasonal." He explains that in the winter when the Great Lakes were frozen, no ore could be shipped from Duluth.

To provide space for manufacturing firms that will supply the taconite industry and to further diversify its economy, Hibbing is now in the process of adding 57 acres to its industrial park.

In May 1967, EDA approved a \$336,000 grant and a \$336,000 loan to the Hibbing ARA to pay the total cost of this project. It will include installation of streets, sewers, and water mains.

The official annual unemployment rate in the area was down to 5.6 percent for 1966. Nickoloff attributes this low rate to jobs in the construction of plants for the taconite industry.

"We still have a long way to go in making a comeback in employment," Nickoloff says, "but we are on our way. We have a number of firms interested in opening plants in the industrial park. We are aiming now at bringing in another 1,500 to 2,000 jobs over a period of a few years."



HIBBING ON THE MOVE—Upper left: The plant of Hibbing Precision Industries, a firm that now has 200 employees engaged in electronics manufacturing and machine shop operations. Lower left: This milling machine at Hibbing Precision Industries is being used to make a mold for snow-mobile tracks. Right: A Swiss automatic-type screw machine at Hibbing Precision Industries turns out bomb fuse components for Eureka Williams Co. of Bloomington, Illinois.

Economic Comeback Enlivens "Come Back Home" Campaign

Operation "Come Back Home" was launched last year by the citizens of Lisbon, Lewiston and Auburn, Maine. The idea was to bring back residents who had left the area during the early 1960's in a search for jobs that were not available at home.

Today, instead of workers looking for jobs, there are jobs looking for workers in the three neighboring communities. The change came because local residents put their best foot forward toward economic progress. Here's their story.

In the Summer of 1963, a local electronics plant closed down operations, eliminating jobs of 1,300 workers. Within 18 months, another setback came when a major shoe company and two textile mills also shut down, bringing the job loss total to 2,600. With the loss of their paychecks, an estimated 1,800 people left the area.

Something had to be done.

President Lyndon B. Johnson learned of the area's plight and immediately directed that a special, emergency Federal, State and local task force be formed to help put the area and its people back on their feet.

As a result of the task force efforts, the Maine Employment Security Commission placed many of the jobless workers in vacancies in other parts of the State. The agency compiled lists of the unemployed and their skills in the search for unfilled jobs for which the laid-off workers could qualify.

The Presidential task force also assisted a group of citizens who organized the Lisbon Development Corporation. The LDC's first project was a drive to raise \$100,000 through public subscription to finance a new tenant for one of the closed textile mills. The U.S. Area Redevelopment Administration, predecessor of the Economic Development Administration, and the Small Business Administration agreed to help with the firm's financing. This assured jobs for 350 workers. But more help was needed.

Members of a redevelopment committee representing the three communities asked the Federal economic development agency for a program of continuing technical assistance over an extended time period in a variety of areas.

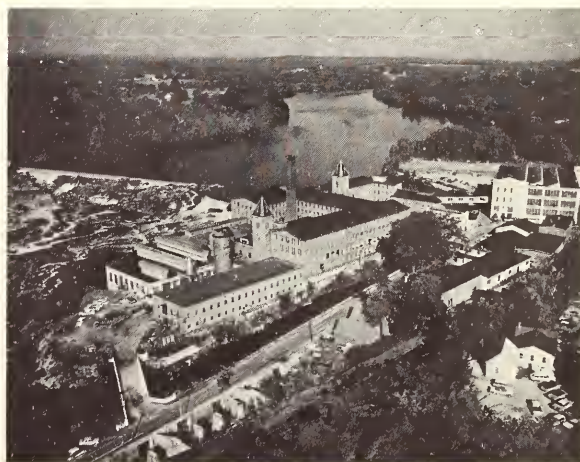
The technical assistance was aimed at finding long-term solutions to basic problems, rather than promoting temporary or short-term jobs to alleviate the immediate situation. The redevelopment committee carefully outlined a schedule of priorities for planning and execution of projects.

Under the technical assistance program, an inventory of vacant industrial space was conducted in the three towns to determine the type and

extent of available manufacturing space. More than 900,000 square feet was identified and a concerted program was begun to attract firms into the existing space. Within five months after completion of the inventory, one third of the space had been returned to profitable use.

Meanwhile, local firms were also ready to do their part. Nineteen companies asked for consulting help in problem areas such as marketing, industrial engineering and management. After 18 months, the Maine Employment Security Commission estimated that more than 700 new jobs had been created in these firms alone.

A special study was conducted on the feasibility of establishing warehousing and distribution centers in the area. While the project was under way, a local trucking company announced a \$45,000 expansion of freight-forwarding facilities. Additional attention was given to preparing maps, engineering plans and industrial data for establishing two industrial parks in Lisbon.



A Presidential Task Force and two Federal agencies helped to reopen this plant vacated by a Lisbon Falls, Maine, textile firm. The facility, now occupied by Lisbon Mills, Inc., employs about 350 workers.

In sum, during the 18-month study, more than \$17 million was invested in projects for industrial and commercial growth. Nearly 380,000 square feet of manufacturing space was constructed, and 270,000 square feet was reactivated for manufacturing operations.

An additional boost to the area came in September of last year, when EDA approved a business loan of nearly \$1.6 million to help establish a new electronics business in nearby Lisbon Falls. The firm expects to employ about 450 workers.

In Lewiston, meanwhile, a second electronics company moved into production. It expects eventually to employ 1,200 to 1,400 workers, according to local officials.

By the beginning of 1967, the average unemployment rate for the Lisbon-Lewiston-Auburn area had dropped to 4.7 percent from the 9.2-percent mark set in 1963. This year's figure could be even lower. In March, a manufacturer of specialty items announced plans to locate a \$2.5-million plant employing 400 workers in the area, and a producer of electric appliances agreed to locate an assembly plant initially employing 100.

Looking to the future, the three communities plan to continue Operation "Come Back Home." It seems a natural part of the area's comeback story.

Idaho County Buys Stock in Its Future

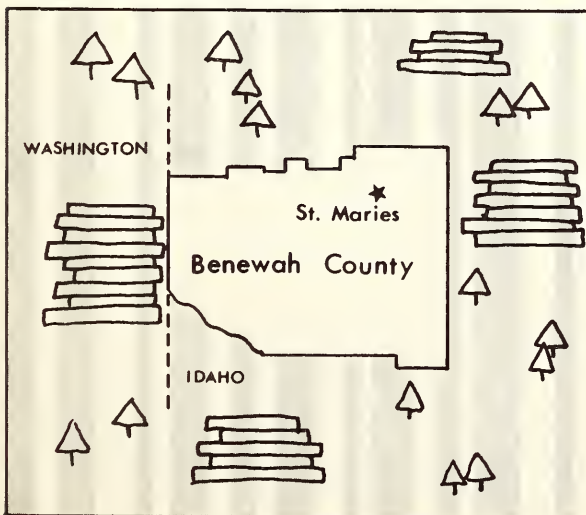
At the end of a hard day's work at the plywood plant, Leonard Parker, 33, drives his recently purchased 1964 car home to his modern apartment in St. Maries, Idaho, and switches on the color television set or settles in his easy chair to listen to the new stereo and reflect that things are much better than they were three years ago.

The life that Parker remembers was a hard one for him, his Indian wife, Diana, and their three children, now 8, 7 and 4 years old.

Before he became one of the first employees of the St. Maries Plywood Company, established in the Fall of 1964 with a \$1.69 million Federal economic development loan, Parker earned \$2,000 to \$3,000 a year, alternating his time between working as a logger or "cleaning out hog houses for farmers" and drawing unemployment compensation. He was unemployed when he took the plywood company job on December 1, 1964.

Parker's story is also the story of St. Maries and Benewah County, an area where Indians make up a large portion of the population. The Coeur d'Alene Reservation covers 56 percent of the county.

St. Maries is a town of 2,500, which lies nestled among forests of tall evergreens on the western edge of the Rocky Mountains. The first white people in the northern Idaho area were missionaries who came in the 1840's to teach the Indians. They were followed by a few ranchers and farmers. As the population in the Pacific Northwest increased, the plentiful trees became the basis of a logging and lumbering economy.



The seasonal aspect of lumbering and of agriculture, the county's second largest industry, resulted in a boom-and-bust type of economy with almost full employment in the summer months, followed by high unemployment rates in the winter.

Unemployment Soars When Fire Strikes

Robert M. Hammes, editor and publisher of the weekly *St. Maries Gazette-Record*, says that despite annual unemployment rates ranging around 12 percent, most of the people in the county were doing well compared with what happened after one bleak day in September 1961—the day that fire destroyed the St. Maries Lumber Company. The fire left 189 mill employees and about twice that many loggers without jobs or incomes.

Unemployment in the area soared above 30 percent in the last quarter of 1961 and the first quarter of 1962. "And that includes only the people covered by unemployment compensation," Hammes notes. People began leaving the area, especially skilled workers, and Idaho Employment Security Agency figures showed the work force dropped from 2,644 in the first quarter of 1961 to 2,244 in the first quarter of 1962.

Local businesses felt the effect. Some closed down, including an auto agency, a garage, a laundry, a restaurant, a service station, a tavern and an electrical shop. Others barely hung on as credit business soared. Says Hammes: "I was ready to close up the newspaper in another 12 or 14 months."

But the people of the town refused to sit still and wait for economic extinction. Gordon Leuty, Chairman of the Benewah County Commissioners, says, "We were grabbing at anything we could get. Frank Church [Senator from Idaho] sent us some pamphlets on the Area Redevelopment Administration, and I appointed a committee to work on a project."

Comeback Helped by Federal Loan

The committee, headed by State Senator Cy Chase and William Craner, developed a cooperative lumber finishing plant, which received a \$143,275 loan from ARA (now the Economic Development Administration) and began operations in Plummer early in 1963. A shortage of working capital plagued the company, and it ceased operations in the Fall of 1964. In the Spring of 1966, however, the plant was leased to the Crown Products Company, which now employs 21 in the mill and provides jobs for 30 others in supplying operations.

" . . . Our investors include businessmen, laborers, lumberjacks, waitresses, teachers and even some kids . . . "

But the project that really put St. Maries and Benewah back on the track economically was the development and opening of the St. Maries Plywood Company, which employs more than 200 men in the mill and creates jobs for more than 350 others in logging operations. The firm completed a \$1.25-million expansion in June that will lead to the addition of 40 to 70 direct employees.

To obtain the Federal loan for the plant, the community was required to raise \$260,000 as an investment by its local development company, to

The plywood firm was organized by the Carolina Pacific Plywood Company and F. A. Johnson, a California businessman, who served as its first president but later sold his interest to the Atlas Tie Company of Coeur d'Alene. Potlatch Forests, Inc., a giant in the forest products industry, has since bought out Carolina Pacific.

The plant is managed by John M. Richards, a vice-president of the company. He said the mill has a designed capacity of 5 million board feet of $\frac{3}{8}$ -inch plywood a month, but actually averaged



The men above are among more than 200 workers employed in round-the-clock operations at the St. Maries Plywood Company Plant in St. Maries, Idaho. At left, a workman adjusts a broad strip of veneer being peeled from a log.

be secured by a third mortgage on the plant. A bank that loaned \$520,000 took a first mortgage, and the Economic Development Administration holds a second mortgage for the Federal loan.

Stock Priced Low To Spur Wide Sales

"We priced stock in the development company at \$10 a share so that we could get the widest possible participation," explains George Moody, Benewah County Director of Planning and Chairman of the Overall Economic Development Committee. "Our 480 investors include businessmen, laborers, lumberjacks, waitresses, teachers and even some kids who robbed their piggy banks."

The Coeur d'Alene Indian Tribe invested \$26,000 and bought \$100,000 in debentures. And some Indians made personal investments. For its investment, the Tribe was assured that at least 20 percent of the jobs in the plant would go to Indians.

7.5 million feet in 1966 and produced 10.5 million feet in March 1967, "one of our biggest months."

The firm added a new chip-and-saw plant in 1966 to make studs from small logs and the cores of timber peeled for plywood, and to process chips that otherwise would be wasted. The firm burns the bark peeled off the timber in its boilers, completely eliminating waste. The chip-and-saw mill added 15 employees.

"We pay a minimum of \$2.60 an hour," says Richards, "but there are very few of our men at the minimum. The average wage is about \$2.80 an hour, and more than 70 of our men made more than \$7,000 last year. Our annual payroll is now \$1.5 million, and within two years it should be \$2 million."

Richards expects the recently completed expansion, which added a new dryer, to be followed by

another expansion that will include a new press and expand capacity of the plant by 40 percent.

"Besides the wages we pay, we provide health insurance and other fringes that add about 25 cents an hour for each man," Richards says. "We are now working on a pension plan for all employees."

Economy Rebounds As Jobs Open Up

The impact of the year-round, three-shift operation on the economy of St. Maries and Benewah County has been substantial. Not only has the county's population rebounded from a low estimated at about 5,700 persons in 1962 to a present figure set at around 7,000, but the annual unemployment rate has declined steadily from 14.4 percent in 1962 to 6.7 percent in 1966.

Commission Chairman Leuty declares: "Some of the businesses that closed in the bad days have reopened, and we have a lot of new ones. There's a new lath mill, a cement block plant, a general merchandise store, a service station, a flower shop, a beauty shop, a supermarket, a new telephone company building, a root beer stand, a restaurant, two motels, and a chain-saw shop. At least 50 new houses have been built in St. Maries, and the plywood mill plans to build at least 20 houses for employees this year."

The community also reflects the new affluence. It has developed three new recreation areas and a boat landing on the St. Joe River, increased the capacity of the hospital from 17 to 32 beds, and expanded the runway at the local airport from 2,100 to 3,100 feet. Plans are afoot for a new caretaker building at the airport this summer.

Plans Look Ahead to Further Growth

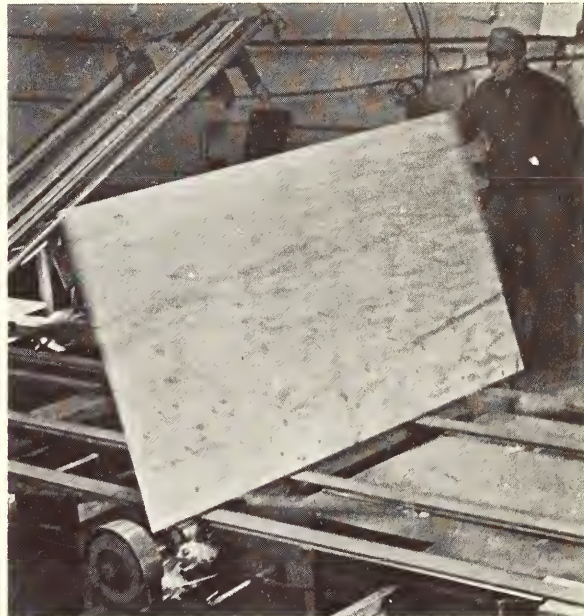
Leuty and Planning Director Moody agree that the establishment of a paper mill in the St. Maries area to make further use of the abundant available timber is a key to future economic growth. Long-range plans call for improvement of the water and sewer systems, which have become inadequate, and for extensive promotion of tourism to take advantage of spectacular mountain scenery, forests and streams in the area.

Leuty notes that the situation is quite different from 1961 and 1962 when the county was \$14,900 in debt for current expenses and "a lot of people couldn't pay their taxes. We held off taking their places away from them, and now all those tax bills are paid, and the county is out of debt. We had about 50 young families coming to the County Commissioners in the winter for help on a month-to-month basis. Now we're supplying surplus food to no more than 20 families."

Nobody tells the story better than Leonard Parker. His was one of those 50 families. Now the former hogpen scrubber works usually seven days

a week, inspecting 6,000 to 7,000 plywood panels a day in his key job at the plant.

Since his wife is a member of the Coeur d'Alene Tribe, Parker holds one of the jobs reserved for Indians. "Before the plant opened we hardly had anything," he says. "We lived in Tensed in a two-by-four house that had no insulation and no foundation. I've seen better barns than that house, but I couldn't afford anything better."



Leonard Parker inspects more than 6,000 finished panels in a day's work at the St. Maries Plywood Company.

When he started with the plywood firm, Parker, who finished two and a half years of high school, took on-the-job training. He started loading box-cars, learned to patch panels, operated a forklift truck and finally graduated to panel grading. He moved his family the 35 miles from Tensed to St. Maries and then last year moved again to the comfortable apartment they now occupy.

"I like it here," he says simply. "I wouldn't trade it for anything else. I make a good living. Last year I made \$9,800. I plan to buy a home in St. Maries. We want to see that the kids get a good education, and I'm now ready to start a savings plan that will see to that education and to my own retirement some day."

Says Commission Chairman Leuty: "It's people like Parker who make all our efforts and the whole Federal development program worthwhile. Some people told me that we were wasting our time, that those who were unemployed wouldn't work even if the jobs were there. Parker is just one of the men who have stopped drawing assistance, started paying taxes and made our country a better place."

Mining Center Surmounts Job Loss Problems

The dedication of a new furniture factory at Spruce Pine, North Carolina, on September 30, 1967, marked the climax of a redevelopment campaign that has seen a little mountain county with 15,000 population bring itself back from the depths of depression over a 5-year period.

Mitchell County, a mica mining center, already was suffering from high unemployment when the Federal Government terminated its mica stockpiling program in June 1962. The county's unemployment rate that year soared above 20 percent.

Mitchell residents refused to acknowledge defeat and were quick to take advantage of Federal and State redevelopment programs. Since 1961, 22 assistance projects have been conducted in the county.

Between 1962 and 1964, Mitchell received funds from the Area Redevelopment Administration for five Accelerated Public Works projects for road construction, land treatment, recreation buildings, and sewage-treatment and water facilities. A number of Federally aided job-training projects in the county have included courses in auto mechanics, hosiery repairing, machinery, and clerical work.

Mitchell's efforts cut the unemployment rate from 15.2 percent in 1964 to 8.7 percent in 1965. In March 1966, the Economic Development Administration approved a \$100,000 grant to the Town of Spruce Pine, to help extend its water system to serve the proposed new plant of Henredon Furniture Industries, Inc.

By July 1, 1967, the county's unemployment had dropped to the point that the county no longer qualified for EDA assistance.

When the \$4 million furniture plant was dedicated in the Fall of 1967, it was employing 225 of the 500 workers the firm expects to have when in full production.

Yakima Indians Welcome New Dimension in Living



Above: The White Swan Industries furniture plant stands near completion, while pipeline installation continues on the Yakima Indian Industrial Park at Wapato, Washington.

Industry Lifts Horizon For Washington Tribe

Gresham Morrison, 44, of Toppenish, Washington, is a member of the Yakima Indian Nation. Until the Summer of 1967, the adults in his 16-member family had never been able to total more than about \$2,500 a year doing seasonal farm labor in the fertile Yakima Valley.

Today, six members of the Morrison family are holding down full-time jobs at the furniture manufacturing plant of White Swan Industries at Wapato and earning wages that will total \$18,000 to \$20,000 a year. The 10 children remaining at home include a niece and a nephew being brought up as part of the family.

The Morrisons are among 161 Indians included in the 182 employees of the furniture plant, which began operations in June of this year. When it reaches full operation, the firm expects to have a payroll of more than \$800,000 a year with approximately 200 employees.

White Swan Industries equipped its modern plant with the help of a \$194,805 15-year loan from the Economic Development Administration in June 1966. The 100,000-square-foot building was constructed by the Yakima Nation at a cost of \$800,000 and leased to the firm. It is located on a 15-acre tract in a 114-acre industrial park developed by the tribe with the aid of a \$150,960 EDA grant approved in November 1966.

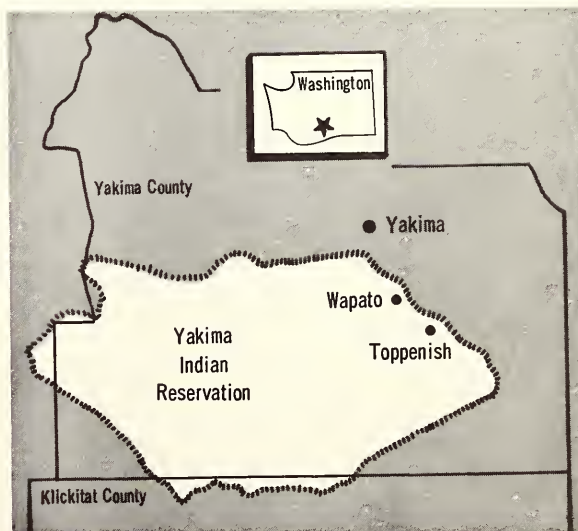
The furniture factory already has had a dramatic effect in reducing unemployment on the reservation. In 1966, unemployment was reported at a

staggering 44 percent, with 500 of the 1,125 labor force jobless.

Tribal Program Led to New Jobs

The origin of the furniture plant goes back to the early days of the Federal economic development program. In 1961, the Yakima Tribe decided to take part in the program and organize a committee to determine the assets and needs of the reservation and to draw up an Overall Economic Development Program (OEDP).

In February 1962, the OEDP committee produced its plan for development. It noted the prevailing



high rate of unemployment and seasonal employment among members of the tribe, and the lack of vocational skills and of general education among the Yakima Indians. The complete lack of industrial job opportunities was cited as a particular handicap.

Among the chief assets of the reservation, which lies in Yakima and Klickitat Counties in south-central Washington, are its 397,140 acres of commercial timberland. The OEDP recommended the establishment of industries to make use of the forest resources, and the development of an industrial park in the Wapato area.

Over the last 5 years, the Yakima Tribal Council, the Nation's governing body, has actively pursued the recommendations of the OEDP committee. At a recent meeting of the Council, James B. Hovis, attorney for the tribe, said, "Our OEDP is creating a climate for industrial development. The indirect benefits of the Federal economic development program are what are really paying off. We refer to everything that is going on in the reservation in the way of development as part of our Overall Economic Development Program."

Describing conditions that led to the push for industrial development, Hovis said that the 44-percent unemployment rate is actually "a moderate figure," because in the winter months unemployment is much higher. "Many members of the tribe subsist on berries, hunting and fishing," he said. "Each enrolled family receives \$160 a year for each member in per-capita payments from tribal funds—mostly from the sale of timber and leasing of farm land. We have welfare programs operating on the reservation, but our greatest need has been full-time jobs."

Youth Gain Chance for Better Education

Members of the Council also commented on the economic development program. They agreed that the jobs created by the furniture plant will be a key to the continued development of the reservation and will help make possible better education for the young people. Members of the Council consider education the key to a better future for the Indian.

Stanley Smartlowit, chairman of the education and employment committees of the Council, said of the plant: "This is one of the biggest moves to alleviate some of our social problems that our Tribal Council has been involved with for many years. I'm thinking of the school children. When the head of a family is employed, the homemaker can have more time to take care of their children and keep them in school. Late entries to school and dropouts have been among our greatest problems."

"Now we can see our boys and girls starting to school on the day the first bell rings. Our 1,318 students in four school districts will be the ones

who benefit from this industry. What little their parents have been able to get out of per capita has been nothing to compare with what they can get out of wages."

Chief Eagle Selatsee, chairman of the Tribal Council, declared: "I have been on this Council since 1936. Things have changed. We debated for quite a while before we decided to take part in



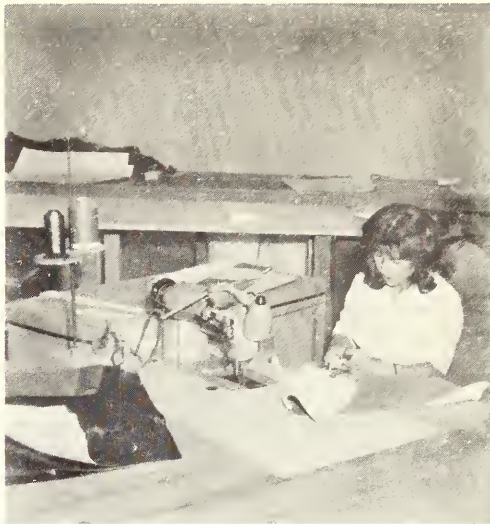
PLANNING FOR GROWTH—Members of the Yakima Reservation OEDP Committee examine a proposal at a session in the Tribal Council room of the Indian Agency building in Toppenish. Left to right: Jim Alexander, secretary; Clifford Tulee, chairman; Louis Schappy and Louis Cloud.

the Federal development program. We believe that the education our young people will now be able to get will be the most important thing for the tribe. I hope to see the day when some of our people will stand before the judge as an attorney, or maybe even sit in the judge's chair."

The tribe's lease with White Swan Industries provides that Indians will be given preference in hiring for the plant. The Bureau of Indian Affairs entered an on-the-job training contract with White Swan, which provided that BIA would certify members of the tribe as eligible for training and pay 70 cents an hour of the trainee's wages. At the plant, the Bureau staffs an employment office that provides Indian workers as needed.

By the end of September, three Indians had been advanced to "lead men"—sub-foremen of small crews in cutting and sawing operations.

Among the Indians recommended by the Bureau are the six Morrisons—Gresham, his wife Jeanette, their sons Levi, Paris and Thomas, and Levi's wife, Virginia. Before July of this year, the Morrisons and other members of the tribe worked in the fields and orchards of Yakima County, which calls itself the "Fruit Basket to the Nation" and boasts



ON THE JOB—Richard Bill (left), his wife and three children have, for the last 10 years, lived on the Yakima tribal per-capita allotment and the proceeds from seasonal farm and other temporary jobs. Bill now has a steady job at the White Swan furniture plant. —Anthony George (center) supports a widowed mother with his wages from the furniture plant. An experienced cabinet maker, 32-year-old George found little demand for his skill on the reservation before the plant was established. —For Marthella George (right), a widow supporting five children, the White Swan Industries plant has meant that she could find a job on the reservation for the first time in several years.

it leads the country in the number of fruit trees and in production of apples, hops and mint.

In recent years, even seasonal farm jobs have been disappearing because of competition from migrant workers and the development of new machinery for use on the farms.

Expanded Incomes Improve Way of Life

For the Morrisons, the jobs at the plant have meant some changes in their way of life. Levi



IT'S OFFICIAL!—Signing a document providing for training of Indians for jobs at the White Swan furniture plant is Chief Eagle Selatsee, chairman of the Yakima Nation Tribal Council. Other Council members present are, left to right, front row: Robert Jim, Louis Sohapp, Harvey Adams, Watson Totus, Clifford Tulee and Louis Cloud; back row: Joe Teo, Stanley Smartlowit, Joe Meninick, Tom Albert and Jim Alexander.

and Virginia now have their own residence; but the wages of Gresham and Jeanette and the other two sons are being used to improve conditions for themselves and the 10 other children at home.

In October, the 14 members of the family moved from almost unbelievably crowded conditions in a two-bedroom house to a five-bedroom home in Toppenish. They have replaced a barely operative old television set with a late model to provide diversion for the children at home. Their 1953-model automobile has been replaced by a recent model to provide more reliable transportation to the jobs at Wapato.

As Virginia Morrison tells it: "Since we got the jobs at the factory we have been able to buy some clothes for the children every week. We were never able to keep them decently dressed before. And we now have in a frozen-food locker enough food to last us about 2 months. Always we have had to buy our food day by day. We are happy that we have been able to start paying off some bills we have owed for a long time."

Only because there are so many of them are the Morrisons a special case. More than 100 other Yakima Indian families are enjoying improved living conditions and hope for the future as a result of steady wages earned at the EDA-assisted furniture plant.

Democracy and Economics Linked In Marion County, South Carolina

On March 12, the voters of New Hampshire will go to the polls for the State's primary election—the first in the Nation.

On November 5, these voters and about 70 million more across the country will cast their votes in the general election.

But for the workers in a plant located midway between Marion and Mullins, South Carolina, every day is election day.

These people are at work turning out voting machines in a new plant built with the help of a \$1-million EDA business loan.

The plant, Marion Metal Corporation, turns out voting machines mostly for use in the southern States. The plant is only now moving into high gear, but when it is in full production, the company will be manufacturing about 2,000 voting machines a year.

For the area, the plant has meant the creation of a steadily increasing number of permanent new jobs.

Marion Metal, a subsidiary of the AVM Corporation of Jamestown, New York, started operations in September 1966 in an old gymnasium in Marion. It had about five employees.

In February 1967, EDA approved a business loan of \$1 million to build a new plant, which went into operation in mid-November of last year.

The employment roster climbed from the initial 5 workers to a total of 87 in January. Charles

Deyoe, Vice President and General Manager, says he expects that by April about 175 people will be at work turning out the voting machines.



FIRST MEN AT VOTING BOOTH—Workers assemble the inner mechanisms of new voting machines at the Marion Metal Corporation, South Carolina, built with the help of a \$1 million EDA business loan.

The work force is mostly locally hired. Only 13 of the people on the payroll were brought in by the company from another area. The rest of the employees have been hired from the Marion-Mullins area.

The January payroll was running at about \$10,000 to \$12,000 a week for the company's hourly workers and will double when the work force hits its peak.

The new paychecks are welcome in Marion County, where the median family income in the last census was only \$2,307, less than 40 percent of the national figure.

The company builds the machines from scratch except for a few electrical parts, which it buys from another manufacturer. It also modifies voting machines to make their operations conform to individual State election laws.

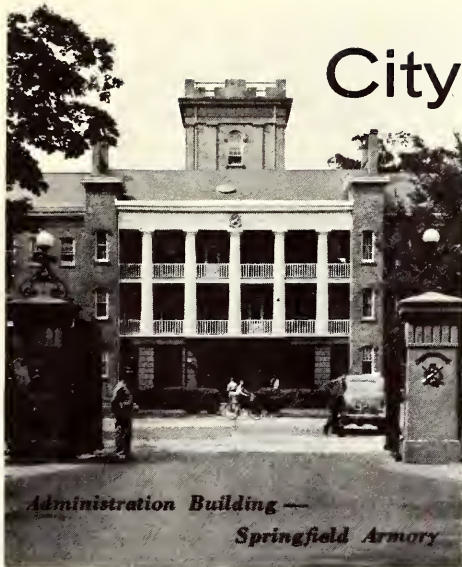
Deyoe says the plant will be operating with a steady work force of about 175 regardless of what the calendar says about election dates. During the off years, the company builds up its inventory of machines.

It also does other contract work such as manufacturing computer covers and metal fabricating.

In sum, Marion Metal and EDA have joined forces to link up the needs of democracy and economic revitalization.



WOMEN'S SUFFRAGE?—The woman at work at this metal fabricating machine is turning out parts for voting machines at a new plant near Marion, South Carolina.



City's Action Prompt on Arsenal Closure

Springfield Sets Goals for A Stronger Economy

On November 19, 1964, word came from the Department of Defense that, by mid-1968, the Armory at Springfield, Massachusetts, was to be completely phased out. This news evoked a chain reaction, first of initial shock and disbelief, then, concerted discussion, and finally, action.

Today, well before the 1968 deadline, the city is on a course to ease the impact of the closedown decision: Springfield has, in fact, made the decision a catalyst for creating a still stronger local economy.

For 170 years, the Springfield Armory had provided a major source of small arms for the Nation's defense. Designated as a national armory by President Washington in 1794—making it the first and oldest manufacturing arsenal in the country—it gained worldwide acclaim as a producer of fine military weaponry, particularly through the renown of its "Springfield Rifle," Model 1903.

In turn, the Armory has always been an important mainstay of the Springfield economy. In a sense, the Armory *was* the City of Springfield in its early years. As late as 1964, it was the city's third-largest employer.

In March 1964, 500 of the 2,900 Armory workers were laid off because of discontinuance of the M-14 rifle. Then came the Defense Department announcement of the closedown.

Economy Already in A State of Change

While the Springfield area has long constituted a center of manufacturing activity, in reality this role has been ebbing for a number of years. The slack created by the out-migration of industry has, to some extent, been taken up by the growing importance of the finance and services industry. But the looming phase-out of the Armory forced into

focus the need to re-evaluate Springfield's entire economic structure and outlook.

Spearheading the job of looking to the future was the Armory Planning Committee, assembled from area leaders in business, labor, finance, education and public service. With more than 2,000 jobs



at stake, the Planning Committee promptly sought guidance from the Defense Department's Office of Economic Adjustment, then applied in July 1966 to the Economic Development Administration for technical assistance in determining feasible re-uses of the Armory facilities and in converting analysis to action.

In November 1966, EDA approved technical assistance funds for a study, which was conducted by Realty Research and Consulting Corporation of Pittsburgh. The study resulted in three major recommendations:

- Establish a **regional technical institute** to supply the area with technicians capable of bridging the gap between professional engineers or scientists and the skilled worker.
- Enlarge the scope of the existing Armory Museum to create a **museum complex** of interest to the general public.
- Determine the best economic re-uses for Armory facilities, supporting the area's **industrial redevelopment** program with adequate staff and sound industrial location techniques.

A Regional Technical Institute

The Armory Planning Committee assigned top priority to the proposal that Armory Square—one of the four Armory facility sites—serve as the location for a regional technical institute. The institute would help fill a gap in the area's labor supply, the technician, whose training enables him to provide staff support for professionals while supervising and coordinating the work of skilled craftsmen in his field.

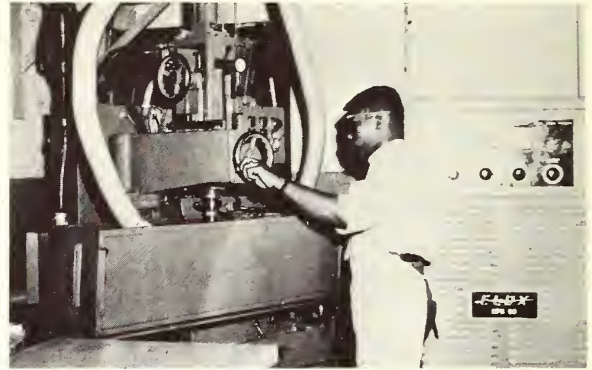
The decision was based largely on the impressive success of other areas in which technical institutes were created on phased-out military bases. Armory Square, several blocks from downtown Springfield, was an ideal site. Its spacious acreage and available buildings formed a solid basis for the type of institute planned.

The Commonwealth of Massachusetts applied to the General Services Administration, with the endorsement of the U.S. Department of Health, Education, and Welfare, for the cost-free transfer of about 36 acres of Armory Square, with buildings, for educational purposes. The financing program for the institute will involve both State and Federal support in addition to modest out-of-state student tuition income.

Architects and engineers are now busily engaged in transforming Armory buildings into classrooms and shops in time for opening of school in September 1967. Advance registrations indicate a thousand-student opening enrollment this Fall.

It is estimated that the existing Springfield Technical Institute, housed in the city's Trade High School, contributes about \$1.3 million to the local economy. A maximum 5,000-student enrollment level

is envisioned for the proposed Armory Square facility within about 15 years. It is projected that the regional technical institute will then add approximately \$6 million a year in payroll, services, construction and graduate employment. The regional institute will also help attract additional industry to the area.



The highly successful Springfield Technical Institute offered a firm base on which to build a proposed regional technical institute. Here, an STI student develops skills at the Institute's mechanical technology workshop.

Springfield Armory Museum Complex

While much of the Armory facilities ultimately would be used for purposes unrelated to the military, the EDA study recommends that one link with the military past be preserved. This link is the Armory's Benton Small Arms Museum.

From the start, Springfield community leaders and State and Federal agencies agreed unanimously on retaining the museum, not only for the benefit of historians and students, but also to attract tourists and tourist dollars.

The plan for a museum complex on Armory Square starts with the existing arms collection but goes considerably beyond its present scope in order to attract a mass public. The City of Springfield is now preparing the necessary applications to acquire the property and to get permanent loan of the collection; a non-profit corporation is being formed to manage the museum complex; and a \$1 million capital funds drive is in the advanced stage of planning.

The study estimates that, within five years of its completion, the museum complex could attract 200,000 visitors annually, introducing almost \$2 million a year into the local economy. This, in turn, would support \$3 million in new capital investment to service the tourist trade.

Industrial Redevelopment

Re-use of Armory facilities has been a key element in the Armory Planning Committee's program. Even as the EDA study was being completed,

its recommendations were being picked up by the Committee, analyzed and put into action.

- The General Electric Company now occupies a site in Federal Square, employing many former Armory employees.

- The most recently constructed of all the buildings at the Armory's Watershops location is the Forge Shop. Of the six contenders for this facility, the Committee selected a firm that is expanding from its present operation in the Midwest. Its work with exotic metals and other materials brings to Springfield an opportunity for additional industrial growth and diversification.

- Careful matching of the area's industrial assets with industry needs has provided the Planning Committee with a list of prospects expected to supply tenants for sites in the Watershops area and the Page Boulevard Railhead area well before the end of the phase-out period in 1968.

According to the EDA-sponsored study, the industrial use that can result from the recommended program can create upwards of 3,000 new jobs. The direct and indirect benefits of such employment, it points out, would far exceed the normal historical contribution of the Armory to the local economy.

Pride in the Past Prompts Action for the Future

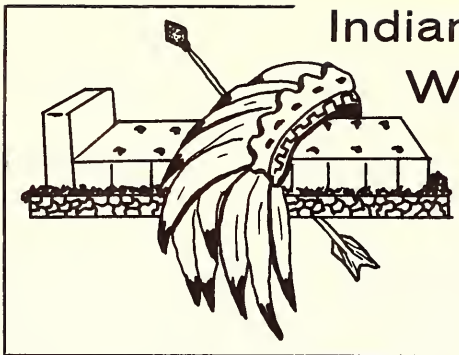
The example of Springfield can serve all com-

munities that are facing, or may in the future confront a threatened economic loss because of significant change in traditional patterns. There is no inevitability of decay so long as the will exists to accept the challenge of change and to follow through.

That Springfield has met its challenge so firmly and rapidly expresses a confidence in the future matching the city's justified pride in its past.



When the Springfield Armory's original site, now known as the *Watershops*, became too small to meet production needs, additional land was procured, the present *Hillshops*, comprising Armory Square (center rear, above) and Federal Square (foreground). Federal Square is now the site of a General Electric Company plant.



Indians Shoot for New Jobs With EDA Tribal Aid

Last Fall, there was a groundbreaking ceremony in southern Montana for a new 45-acre industrial park, not far from where General Custer was defeated by the Sioux Indians in 1876.

The turn of a shovel to open up new industrial land is a frequent occurrence these days, and the ceremonies are very similar.

But the ceremony at Crow Agency, Montana, was different—not in what was said or done, but in what the occasion represented.

The groundbreaking on the Crow Indian Reservation was part of a continuing major Federal effort to bring the Nation's Indian population into the 20th-century industrial economy. And this effort is getting an assist from the Economic Development Administration.

In 1960, the Census Bureau reported 523,591 Indians in the United States, many of them living on Federal reservations. The fortunes of these Indians have varied. Some, like the Osages in Oklahoma, have discovered oil and gas on their lands.

Others have not been so fortunate. The Gila River Reservation near Phoenix, Arizona, had an astronomical unemployment rate of 62 percent last March. The huge Navajo Reservation, covering a 13-million-acre area of Arizona, New Mexico, and Utah, had a 45-percent jobless rate.

The plight of some of the Indian population is also reflected in family incomes. The Indians of the Fort Peck Reservation, Montana, had a median family income of only \$560 compared to a national level of \$5,660, according to the latest census. Families of the Crow Reservation are trying to get along on an income of only \$1,100 a year.

In all, a total of almost 265,000 Indians living on 55 reservations are plagued by problems of high unemployment or exceedingly low income and are thereby eligible for financial help from EDA.

Since it was established in September 1965 to help economically distressed areas, EDA has provided \$9.1 million to help create new jobs and raise incomes for the Indian population. Most of this assistance has gone directly to the reservations.

The aid to the Crow Tribe, in the form of a \$240,800 grant to develop their industrial park, is

an example of such EDA assistance for Indians. In the past, the Crow Tribe has depended mainly upon farming. With the new park, a manufacturer of electronic equipment is planning to set up a 10,000-square-foot plant.

The Crow Tribe has also received a \$667,000 business loan from EDA to help establish a mill in nearby Hardin to dehydrate alfalfa and produce feed pellets for ranchers and stock feeders.

On the Navajo Reservation, a \$475,000 EDA loan is helping the Navajo Forest Products Industries to expand its lumber mill and permit the addition of 85 new workers to its present work force of 460.

Farther to the south, on the San Carlos Reservation, a \$220,000 project has been approved that will open up an estimated 175 new jobs for Indians. The funds—a \$176,000 grant and a \$44,000 loan—are helping to finance an industrial park that will have the Metate Asbestos Corporation as its first tenant. The company will provide an estimated 100 jobs, and employment in local asbestos mines that supply the plant will be increased by about 75 workers, according to local officials.

For some families of the Santo Domingo Pueblo, New Mexico, August 1965 was a bad time. A wood-working plant in Sandoval, where some of the Indians worked, burned down, and 76 persons were thrown out of work. With the help of a \$617,500 loan from EDA, the plant was rebuilt and the jobs were restored.

And EDA's program to help bring jobs to the Indian reservations is not confined to aid for industrial parks or loans to particular companies. Sometimes, it requires a different approach.

A year ago, EDA approved a \$180,000 grant to help build a new 30-bed community general hospital on the Sisseton Indian Reservation in South Dakota. Locally, \$120,000 was raised for the project, and another \$300,000 was provided by the Department of Health, Education, and Welfare.

Construction of the new hospital was the deciding factor in the plans of a manufacturer of shotgun shells to build a new plant on the reservation.

These are just a few examples of how EDA is helping to bring new economic opportunities to the distressed Indian reservations. But in a broader sense, they represent the growing awareness that the Indian lands are richly endowed with natural and human resources offering untapped potential for industrial development.



One of the main streets of Andrews, North Carolina, the town that built a cabinet-making plant — with substantial local financial support — as its first step toward improving economic conditions. Stores no longer go out of business along Second Avenue. Instead, expansions and improvements are planned by local businesses.

Grass roots support pays dividends in New Jobs for Tar Heel Community

In 1963, the North Carolina mountain town of Andrews, population 1,400, was dying. Every other building on the main street was vacant. The unemployment rate was a staggering 22 percent.

Today the town is bustling with activity. The difference is the new Andrews Furniture Industries, Inc., a \$2.3 million wood-working plant, which had its formal opening in May and now has more than 450 employees turning out Magnavox cabinets. And thereby hangs a tale of local economic development with a financial assist from the Federal Government.

It is a story of total involvement of the people of the community, an involvement that saw 150 persons investing sums ranging from \$100 to \$20,000 in the project. Some even borrowed money at six percent interest to risk in a bet on their town's future. They bought bonds promising a maximum return of only five percent. The firm received a \$1.3 million business loan under the Economic Development Administration program.

Located in the westernmost county of North Carolina, Andrews had a booming economy until the early 1940's. Its prosperity was based on chestnut trees, which provided wood for the Andrews Core Plant, producer of cores for Victor talking machines.

When blight attacked the chestnuts, the area's economy gradually wilted along with the trees. The core plant closed in the early 1940's. Other plants lost during the period were the Andrews Hardwood

Company, a saw mill that employed more than 300 men; the Andrews Tanning Extract Company, employing over 100 men and using chestnut bark as raw material; and the F. P. Calvert Tannery, employing 90 men.

The population dropped more than 13 percent over 20 years, with most of the loss being new high school graduates seeking opportunity elsewhere.

In the 1950's, the town, then with the lowest economic level in the area, began a community effort to attract new industry and succeeded in obtaining two branch plants of large textile firms. The job total was about 570, mostly women.

But Andrews' dramatic comeback dates from a November day in 1963 when Mayor Percy B. Ferebee and an old friend, Mechlin H. Clarke, head of a furniture manufacturing company in Bryson City, North Carolina, were discussing the local economy.

"We've just got to find some way to get some industry," Ferebee observed. "This town is dying, and we've got to do something about it."

He was talking to the right man. Mike Clarke informed him that business was actually too good at his Bryson City plant, adding, "We can't make enough furniture to meet the demand."

Mayor Ferebee had the perfect answer. "Why don't you put up a new factory on the site of the old core plant?"



At ground-breaking ceremonies for the Andrews Furniture Industries plant (above) are the four local businessmen who spearheaded the drive for funds to start the firm: (left to right) Mayor Percy B. Ferebee; Representative Roy V. Taylor of North Carolina's 11th District; automobile dealer Jeff Brooks; and Mechlin H. Clarke, president of the new company.



Early stages of construction on the \$2.3-million Andrews plant are shown in lower left of picture. Andrews is in upper right.



Young men of Andrews are now finding attractive job opportunities in their community. The man above works intently at a machine in the Andrews plant. The men below are assembling a cabinet, which eventually will house a Magnavox sound system.

On August 26 President Johnson signed the Public Works and Economic Development Act of 1965 continuing a program of aid to lagging communities.

Andrews already had an Overall Economic Development Program (OEDP), as required for Federal assistance, when the furniture plant idea was conceived. The factory, as it evolved, was a \$2 million operation. Waynewood, Inc., the parent firm, put up five percent. The local bank invested 20 percent and held a first mortgage, which already has been paid. EDA took a second mortgage for its \$1.3 million, or 65 percent. The Federal loan was for 20 years at four percent interest.

To comply with Government requirements of community support and investment, and thereby make the loan possible, 150 individuals and firms in Andrews put \$200,000 into the project through the Andrews Development Corporation.

Some borrowed and others sold securities returning considerably more in order to take part. For their investment, the development corporation obtained a third mortgage on the plant.

Spearheading the community effort was Mayor Ferebee, banker and president of the development corporation, assisted by automobile dealer Jeff Brooks and City Auditor Robert Heaton. The Ferebee family contributed \$25,000.

Talk to any of the small investors in the Andrews Development Corporation, and you will find that they did it with one idea in mind — to bring in some new jobs and help their town out of trouble.

An investor of \$200 is Frank W. Swan, 77, a retired cavalryman who remembers the U.S. Cavalry "when we used horses." He is now an American Legion service officer in Andrews doing volunteer work with veterans. "The main reason we put our money in was to get industry to come in," he says. "We didn't do it for the investment, but for the community. We knew we could lose the money; but if you don't try, you don't get anywhere. That's the type of people we have here in Andrews. Everybody is interested in the community. That's the reason it's a good place to live!"

Man at lower right spray-stains a wood cabinet preparatory to finishing it for shipment to Magnavox. Men at right work in one of the final phases on the assembly line. Andrews Furniture Industries employs 450 workers at present and has expansion plans for 550 more.



Max D. Raxton, a knitter at one of the Andrews textile mills, was one of those who borrowed \$100 at six percent to invest in the five percent bonds. "I thought of it as an investment in the community," he explains, "and therefore a good investment for me."

The 267,619-square-foot furniture factory began operations in November 1965. Originally, it was planned that it would produce low-medium-range hardwood furniture to reach the vast market expected as war babies began forming families late in this decade. This plan was changed in April of 1965 when Magnavox obtained a controlling interest in the parent firm.



Pictured above is the building that houses the cabinet-making operations of the Andrews Furniture Industries, now a subsidiary of Magnavox.

Using the same available hardwoods, the plant is turning out fine cabinets for radio, television and stereo sets for the Magnavox pre-sold market. The 450 direct employees will increase to more than 1,000 within two years, Magnavox reports.

"This enterprise has opened new job opportunities for our youth in a field never before available in the three most southwestern counties of North Carolina," comments Mayor Ferebee. "Andrews Furniture Industries' enormous investment in dollars and confidence in our County will be a guide for sound economic growth and development in the years ahead."

Already there has been a resurgence of confidence in the business community, the Mayor says. "A year ago, businesses were closing. No one was willing to take a chance. The only way to go was down. Now with the new factory, new businesses are springing up. Investors are plentiful. We are on our way again."

The Andrews story is what the framers of the Economic Development program had in mind when they drew up the EDA legislation. Assistant Secretary of Commerce and Director of Economic Development Eugene P. Foley believes the story will be repeated over and over throughout the country.

Clyde, New York, Quick To Meet Job Crisis

Two years ago, Clyde, New York, was faced with becoming a "ghost town" when its major employer shut down and left 500 workers jobless.

Today, with some help from EDA's technical assistance program, the community has worked its way back to almost complete recovery, with the prospect of a stronger-than-ever economy in the future.

Clyde is a town of about 2,800 residents located about midway between Syracuse and Rochester.

In early 1965, the General Electric Company announced it was phasing out its operation at Clyde. The first reaction was gloom and despair among the civic leaders and townspeople as they were struck by the realization that their community faced an economic crisis.

But little time was wasted contemplating the possibility of disaster.

General Electric offered to contribute the plant buildings to the community. Local leaders formed the Clyde Industrial Development Corporation and came to EDA for a \$9,940 technical assistance grant for a re-use study of the facility.

Under the guidance of Mead Carney International, management consultants engaged by EDA to make the study, members of the local development company devoted hundreds of hours over the next nine months to meetings with industrial prospects, planning sessions and general development work.

By March 1966, the project had resulted in the establishment of two firms employing 65 workers,

and EDA approved \$16,826 to extend the contract for Federal assistance. By September of 1966, the village had interested several firms in locating new plants there, but the lack of an industrial area was proving a handicap. EDA approved \$24,020 to help plan and develop an industrial park.

A report issued by Mead Carney indicates the results. The Parker Hannifin Company, makers of refrigeration components, has opened shop in the plant vacated by General Electric. It employs 200 workers and expects employment to increase to 240 by 1970.

The Auburn Plastics Company, a supplier for major appliance makers, is employing 50 persons while also occupying temporary quarters. Auburn has plans for a 37,000-square-foot plant in the industrial park. It anticipates 130 employees by 1968 and 230 by 1970.

Though not yet completely recovered from the GE shutdown, Clyde already is showing evidence of its new development, and the report adds: "The possibility of a complete loss of employment again is extremely remote, since the employment is distributed among several companies. Diversification of industrial effort will produce a healthier economic climate."

How does Clyde feel about this program? In a letter to EDA, city officials said:

"The cooperation and interest of the Federal Government in helping us to help ourselves has demonstrated the soundness of the philosophy underlying the establishment of EDA."

Maryland port city turns economic tide as CAMBRIDGE MAKES COMEBACK

Life is looking up in Cambridge.

This Dorchester County community, on Maryland's Eastern Shore, has a new industrial park and 13 new industrial firms. More plants are on the way. Race Street, the town's retail center, is on the road back after several years of vacant stores, empty tills and few customers. People are hopeful for the town's future—their own future. But it's been hard work to get this far, and there's still more to be done.

This was a "depressed" community, typical of those that got into trouble because of over-dependence on a single industry. At the turn of the century it was fishing, and seafood processing and distribution. Then, as the seafood industry declined, vegetable canning took its place. It, too, declined.

In 1958, the big Phillips Packing Company closed down. At its peak, this firm had employed as many as 2,500 workers. By February 1959, one out of four Cambridge workers was looking for a job. Store after store went out of business as the loss in purchasing power took its toll.

Into the breach stepped four young businessmen. Robert B. Davis operates a men's clothing store. Herman Stevens manages the town's newspapers. F. Phillips Williamson runs a real estate business. Donald F. Holdt is an electrical engineer.

These four were named to the Industrial Development Committee of the local Chamber of Commerce, with Stevens as chairman, in 1958. They have been the only members of this committee ever since.

Their self-appointed task has been to rebuild the Cambridge economy and create new jobs through industrial development. The Federal Government has helped with financial and technical assistance provided by what is now the Economic Development Administration.

Four federally aided projects got under way in Cambridge.

A sewer line was extended to an emerging industrial park. Two loans helped build manufacturing plants. A \$500,000 grant helped create a deep-sea port where tuna caught in the South Atlantic are unloaded for local processing. Ships from all over the world now dock in bustling Cambridge, and the seaport accounts for an estimated \$300,000 annually in income for the community.

New industry in Cambridge includes a tuna canning plant, two other food processors, two boat manufacturers, a printing firm, two electronics firms, a paper box company, a furniture manufacturer and three manufacturers of clothing.

Another food processing plant is starting up in one of the old Phillips buildings. A processor of frozen seafood is considering construction of a \$1-million plant adjacent to the port facilities. These two plants are expected to employ 350 workers.

The roster of new firms is impressive. So, too, is the impact of this revived economic activity on the area's unemployment picture.

Since February 1959, when unemployment peaked at 24.3 percent, improvement has been steady. In 1965, unemployment averaged 8.2 percent. Since fiscal 1961, Dorchester County factory payrolls have risen by \$5.4 million. Average wages have gone up by more than \$18 a week.

When the new plants open this summer, unemployment will drop still further. Chairman Stevens puts it this way:

"Cambridge isn't out of the woods yet, but compare our situation with that of 1959. We're coming closer to the national jobless level. We have more workers with jobs than ever before in our history."

Then, to show how far Cambridge has come since those dark days at the start of the decade, Stevens adds:

"When these plants open next summer, we will probably have a labor shortage. That will be a welcome change!"



BUSINESS BRIGHTENS—Retail sales on Race Street, Cambridge retail center, are up as a result of the area's economic development effort.

A JOB SAVED—Russell Wheatley, shown assembling complicated electronic components at the Airpax Electronics plant in Cambridge, holds one of 200 jobs saved by a \$660,000 loan from what is now the Economic Development Administration in the U.S. Department of Commerce. The loan helped rebuild and expand the plant after it was destroyed by fire four years ago.



PROGRESS—Charles Cornish, president of the Cambridge City Council, cites over a quarter of a million dollars in new residential construction as evidence of renewed public confidence in the community.

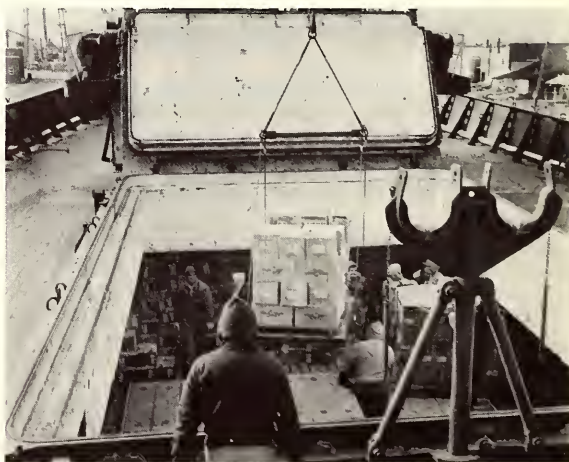


STARTED THE COMEBACK—These four local businessmen, working as a team since 1958, have successfully created hundreds of new jobs in the Cambridge area. Left to right: F. Phillips Williamson, Robert B. Davis, Herman Stevens (chairman), and Donald F. Holdt.



TUNA FOR THE TABLE—This tuna, being boned and readied for processing and canning at the Bumble Bee plant in Cambridge, was caught in the South Atlantic, then frozen and shipped to this Chesapeake Bay port. The deep-sea port facilities, which make possible the docking of ocean-going ships, were financed by a \$500,000 grant from what is now EDA.

FROM DISTANT SHORES—Frozen fish leave the hold of the Icelandic freighter *Selfoss*. Work as longshoremen gives extra income to local watermen, whose main livelihood comes from oystering, crabbing and fishing the waters in the area.



Industrial Parks— The Key to Prosperity

Mention the word “park” and what comes to mind?

For some people, thoughts will turn to a place like Yosemite National Park and mountains and trees. Others might think of Central Park in the heart of New York City.

An unexpected synonym for “park” in Chicago might be “Stockyards.” Unlikely? Not at all. In the Nation’s second largest city, plans are being put together for converting the former Stockyards area into a major industrial park that could provide up to 7,000 new jobs for the hard-core unemployed and take up the job slack caused by the closing of the once bustling Stockyards.

The way was paved for this undertaking last November when a six-square mile area of Chicago, including the Stockyards area, was designated eligible for Federal economic development grants and loans.

“Park” is also an action word in Kemper County, Mississippi. Like other areas where one-horse farms are the rule, many of Kemper County’s 12,000 citizens are poor. One-third exist on surplus food commodities. Another third are eligible but refuse “to go on relief,” according to the mayor of DeKalb, the county seat. Between 1950 and 1960, 36 percent of the area’s residents moved away and the trend is continuing today.

But Kemper County’s citizens have decided to do something about their problems and are staking their future on industry. They hope to attract new companies and create job opportunities they need to keep their young families at home.

A major weapon in this growth plan is the 52-acre industrial park being developed through the cooperation of Kemper County, the city of DeKalb, and the Federal Government.

Local citizens were able to raise funds to equip one site in the park with roads and other facilities and quickly attracted an electronics producer employing 100 workers. In early 1967, when the firm decided to expand operations and add 60 more jobs, DeKalb sought help from the Economic Development Administration.

EDA, an agency in the U.S. Department of Commerce, agreed that jobs were the answer for Kemper County and that the industrial park was the way to get them. With the help of a \$73,500 EDA grant, construction will soon be underway to equip the entire park with water and sewer systems.

Hundreds of other areas like Kemper County have discovered that one reason industries are not attracted to their communities is the lack of attractive plant sites. An industrial park is often the answer to this problem. The Commerce Department has approved \$70.6 million to finance nearly 180 such parks in 40 States. Local, private, and State groups are providing \$47.2 million for a total development cost of \$117.8 million.

An industrial park is a large tract of land, developed through a master plan to provide sites for a group of companies. As in Kemper County, an essential element of the industrial park is the availability of services such as water and sewer lines, access roads, and railroad spurs.

Sometimes called an industrial district, subdivision, or campus, such a planned park is particularly suited to the economically underdeveloped areas in the U.S. where the Commerce Department works to encourage economic growth.

One reason is that by concentrating all industrial operations in a single area, the community reduces the cost of extending public facilities needed by industry. Citizens with an eye for beautification also support the idea of industrial parks. Strict zoning and architectural controls help to eliminate unsightly plants scattered throughout a community. A successful, well-occupied park can serve as a magnet to draw additional companies to town.

A recent offshoot of the industrial park is the airpark. Now under development are more than 200 airparks where industrial sites are located adjacent to airport runways. Many plants are equipped with taxi ramps to their warehouse doors.

As part of its goal to create new jobs for the long-term unemployed, EDA has sponsored a series of studies on the feasibility of various air-

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parks. One report on the San Bernardino-Redlands area of California recommended that the two communities join forces to build a \$7-million facility on a 600-acre tract of land serving both towns. Such move could result, the study said, in the creation of 5,500 jobs by 1980.

A similar joint community effort already has paid off in Oneida County, New York, where a 257-acre airpark has been established midway between Rome and Utica. Four firms have opened plants there, providing 300 new jobs, and negotiations are currently under way with four others that could employ 300-400 more local citizens.

Just as airparks supply needed services for specific firms, marine industrial parks are gaining popularity among firms which depend upon the sea for profits.

In Crisfield, Maryland, EDA has approved \$1.7 million in loans and grants for a marine industrial park. Crisfield is located on the lower Chesapeake Bay within four miles of deep water. However, the access channel to the city is now only 10-12 feet deep and cannot accommodate large seagoing vessels. EDA's funds are helping to finance dredging of the channel to 25 feet, filling

of marshland near the coast, and development of a 117-acre park adjacent to the Bay.

Industrial parks are not feasible or sensible for all communities. If a community has a number of existing, equipped sites for industry, for example, there may be no need for additional development through a park.

The primary appeal of parks is to light and medium manufacturing firms, warehousing companies, processing operations, and research facilities. Companies that need extensive tracts of land, or heavy industries, usually prefer cheaper, underdeveloped sites far from town. The community which launches into an extensive park development without first knowing its objectives and goals may make an expensive mistake.

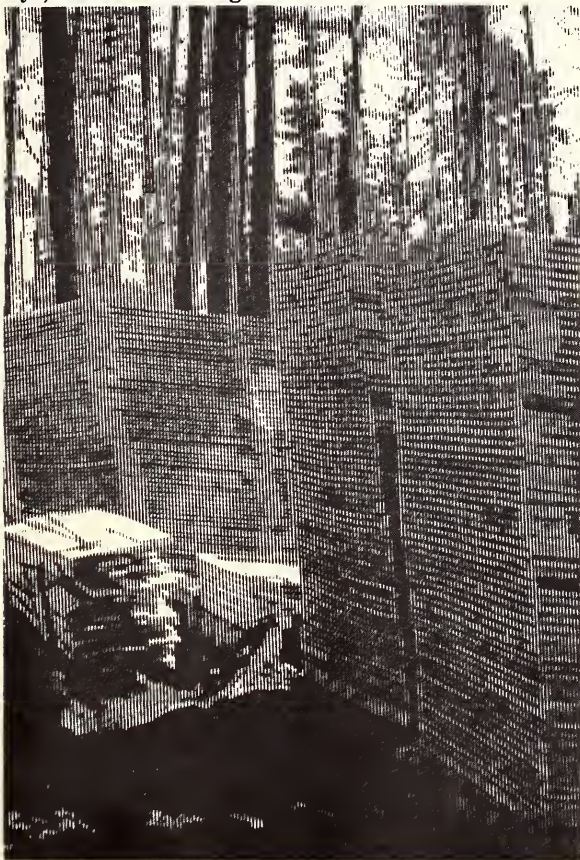
But communities like Burrillville, Rhode Island, are sold on industrial parks. Last year, grocery store owners, barbers, bankers, and almost everyone else in Burrillville attended a series of coffee meetings held at 7:30 a.m. in the center of town to raise \$23,500 to match a Commerce grant for an industrial park. Within eight weeks the drive went over the top. Burrillville and Kemper County know where they want to go and think the industrial park is the way. And they are staking their economies on it.



Berea Man Grows "Executive Timber" For Appalachian Wood Industry

Twenty-nine college students worked in mills and attended classes on business management during the summer of 1966 in an EDA-sponsored program aimed at developing potential executives for the wood-working industry in Eastern Kentucky and nearby areas.

Berea College, located 30 miles south of Lexington, Kentucky, conducted the work-study program, for which students were selected from colleges in the surrounding Appalachian Region. Students came from Morehead University, Morehead, Ky.; Eastern Kentucky University, Richmond, Ky.; Union College, Barbourville, Ky.; Earlham College, Richmond, Ind.; Cumberland College, Williamsburg, Ky.; and Berea College.



The program chose students whose families live in Eastern Kentucky or in adjacent areas in Alabama, Virginia, Ohio, West Virginia, North Carolina and Tennessee. This background was sought because it assured the participants would be motivated to stay in the area after graduation.

The importance of the wood-working industry to the economic growth of this Appalachian section and the need to develop professional managers for the industry were highlighted in a recent Department of Commerce study (*A Forest Industry Processing and Marketing Complex for Eastern Kentucky*, U.S. Government Printing Office, Washington, D. C. 20402; 75 cents).

The study says that the steep ridges and deep hollows of Kentucky's eastern 36 counties alone contain close to four million board feet of red oak and almost two million board feet of hickory. Beech, ash, walnut and hard maple also abound.

The study adds, however, that "Extensive field investigations . . . suggest a rigidity in the economy

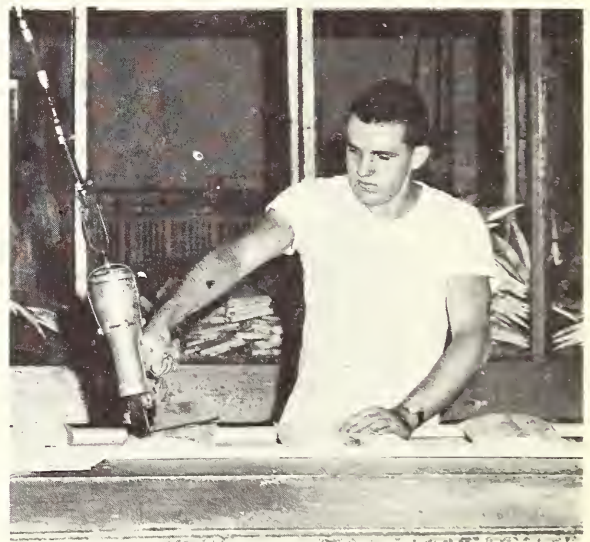


At his drafting board at Gamble Bros., Louisville, student Charles Belden concentrates on a design problem during his training experience in this Kentucky wood-processing plant.

Reprinted from ECONOMIC DEVELOPMENT—January 1967



To supervise the work of others intelligently, you first must learn to do the job yourself. These students, participants in the Berea College work-study program, are shown at various activities in wood-processing plants in the Louisville, Kentucky, area. This experience is part of their training toward managerial positions in industry following graduation. *Above left, Michael Colley at Gamble Bros.; below left, Charles Walker at Wood Mosaic; above right, Johnny Zornes at Kroheler Co.; below right, Harold Hall at Wood Mosaic.*



which has retarded internal expansion and reorientation because of a lack of business skills."

During the day, the students in the 1966 summer program sanded wood veneer, ran headsaws and graded lumber at wood-processing companies near Louisville and Harlan, Kentucky. Evenings, they attended seminars on labor relations, corporate organization and quality control procedures.

To fit the work experience into a broader perspective, Berea College invited experts to the University of Louisville campus for twice-weekly

seminars with the students in that area. Students working in the Harlan area met on the Union College campus and listened to tape recordings of the Louisville sessions. The seminars included such diverse subjects as "Purposes and Procedures of a Time and Motion Study," "Timber Resources in Kentucky and Their Uses," and "Types of Loans Available to Small Business."

The seminars also sought to assay the program's effectiveness by means of job evaluation questionnaires. The questions were designed to determine both the extent of the student's learning process

and his awareness of production and administration problems.

Besides developing management skills for existing wood-processing firms, Berea expects its program to stimulate expansion into the area by firms outside the region. For firms that decide to build new plants to process available hardwoods, the program would supply college graduates with practical wood-processing experience and a desire to live and work in the region.

In 1972 Berea College will make a report on the students' vocational progress after graduation. Regardless of the number of students who enter the wood-processing field, the College considers the work-study program to be worthwhile. It lists these immediate auxiliary benefits:

- The project helps young men from economically distressed areas earn money they need to complete college;
- Firsthand knowledge of a major regional in-

dustry makes the students more effective community members when they return home;

- The project awakens the region's wood industry leaders to the need and availability of new managerial manpower, and it alerts them to the Federal Government's interest in helping to develop this manpower potential.



After a day gaining practical wood-working experience in the shop, members of the Berea work-study program at Louisville listen attentively to the speaker at an evening seminar.

Camden Counters Shutdown With Crash Training Program

When a shipbuilding firm in Camden, New Jersey, announced plans to shut down, city leaders launched a new type of building program—one aimed at providing jobs for the 3,300 workers who would be unemployed.

For Camden, the layoff, which began in November 1966, was a severe blow that would boost the city's unemployment rate to a point 50 percent above the national rate. The city's solution was a crash program requiring cooperation between local business, labor unions, State agencies and the Federal Government.

Camden's first move was to ask for designation under the EDA program. A special study showed that the city qualified, and EDA announced Camden's designation in February 1967.

Survey Identifies Available Jobs

Next, Camden officials conducted a survey of local businesses to compile a roster of job vacancies. Local companies reported that more than 700 positions were vacant because trained workers could not be found.

These jobs were in firms ranging from the city's "giants"—Campbell Soup Company and the Radio Corporation of America—to small operations that said they would put on an extra man if he were qualified.

But Camden had no vocational school and no way of locating workers who would be interested in training. EDA stepped in to help.

First, EDA approved a \$10,218 request to finance operations of the Southern New Jersey Opportunities Industrialization Center. This is one of a number of such urban area centers that aim at placing low-income workers in private business. The Camden Center's task was to try to match available workers with available jobs.

EDA also agreed to provide \$1.65 million to be matched by the city for a vocational school.

Less than eight months after the announced shutdown began, Camden's \$3.3 million vocational school was assured.

Crash Training Program Started

Another Federal Department and two State agencies joined in the drive to assist Camden, this time through immediate training courses.

A special provision of the Manpower Development and Training Act authorizes the U.S. Department of Labor to work with EDA in planning programs in redevelopment areas. The New Jersey State Employment Service and the State Vocational Education Department cooperated with the two Federal agencies in the development of a large-scale training program.

In May, the city received notice from the Labor Department that \$2,153,000 had been approved for training 700 workers in nine occupations such as operating sheet-metal fabricating and production machines. The two State agencies will administer the program.

Extra Benefit for Vocational Staff

An extra benefit from this training project is the experience Camden's vocational staff will get in the recruiting, counseling and training of long-term unemployed persons. This means that when the city's permanent vocational center is completed, the staff will be fully prepared to work with the hard-core unemployed.

The new school will accommodate 2,000 students in day and evening classes. One-fourth of the daytime students will be unemployed, out-of-school youths and adults, including workers from the shipbuilding firm. Young people from low-income groups who cannot qualify for the existing technical high school will be the target of a special recruitment and enrollment program in a continuing effort to create a future skilled labor force.

Camden has not solved all of its unemployment problems. But with a well-planned, well-coordinated action program, it has made a beginning.

Economic Research Looks to the Sea

Oregon Dedicates Marine Science Center

The Oregon State University Marine Science Center in Newport has completed 3 years of operation since it opened in June 1965. The Center is fulfilling the economic, as well as scientific and cultural, development anticipated for it when it was built with the aid of a Federal economic development grant.

Early in 1968 the Newport Chamber of Commerce reported that gross sales in the Newport area were up 40 percent since the Center was opened. In 1967 the Center attracted 161,000 persons, who visited its aquarium-museum or participated in a wide range of cultural activities in the auditorium and conference rooms. More than 10,000 school children were instructed in the principles of oceanography and marine resource management.

On February 20, 1968, Oregon State was named by President Johnson and the National Science Foundation as one of the first three universities to receive a Sea-Grant award. It was for \$553,000. The presence of a major research facility on the ocean was an important factor in the selection of Oregon State.

The Marine Science Center will be the focal point of much of the training, research, and extension activities associated with aquiculture, marine fisheries, marine biology, ocean engineering, and marine advisory portions of the Sea-Grant project. The Sea Grant will enable the university to add about 13 staff members.



More than a thousand persons attended the OSU Marine Science Center dedication ceremonies June 19. The Federal Government contributed approximately \$960,000 for construction of the Center.

When the million-dollar Oregon State University Marine Science Center was dedicated recently on Yaquina Bay at Newport, it opened up opportunities for new research in areas of importance to Oregon's economy and development.

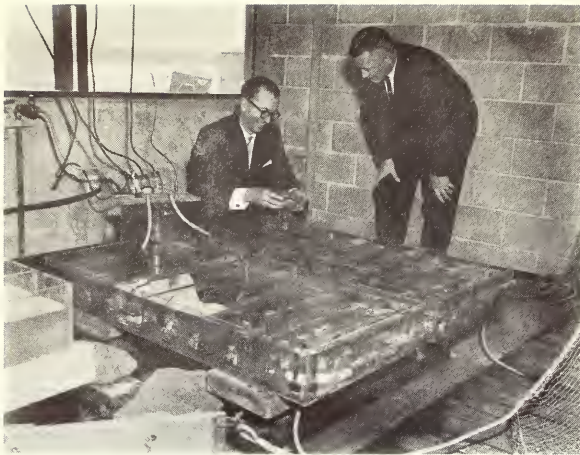


When completed, the Marine Science Center's aquarium-museum is expected to be an outstanding tourist attraction in the mid-Oregon coastal area. Shown are some of the museum's permanent exhibits.

One of the Nation's most modern and diversified facilities for marine research, the Center — built with Federal financial assistance — will have under way by Fall related programs in fisheries, marine biology, oceanography, zoology, wildlife, and water quality, including pollution. Few other such centers have the natural geographic advantages or the resources of so many highly trained scientists in so many fields.

One wing of the new laboratory will be cooperatively shared by the Oregon State University Departments of Fisheries and Wildlife, Botany, Veterinary Medicine, and Agricultural Economics, and the OSU Engineering Experiment Station. Scientists from the State Fish and Game Commissions and the U.S. Public Health Service also are housed there.

A second wing will be devoted to a wide range of oceanographic studies on such subjects as tides, water chemistry, ocean plant-animal life, temperature and salinity, and geology of the continental shelf, as well as research in zoology and microbiology.



Oysters, clams, shrimp, crabs and other marine life play a central role in one of the many research projects under way at the Center. Here looking over some oysters under study are Wilbur P. Breese, fisheries biologist, and Nelson E. Stewart, an OSU assistant in Fisheries and Wildlife.



Visitors inspect the specially equipped research vessel, MS Yaquina, which spends much time at sea with oceanographic scientists aboard. The 180-foot ship has a regular crew of from 16 to 20 men and provides facilities for about the same number of scientists.

The third wing contains a 200-seat auditorium and a smaller room suitable for conferences, lectures and demonstrations, and community meetings.

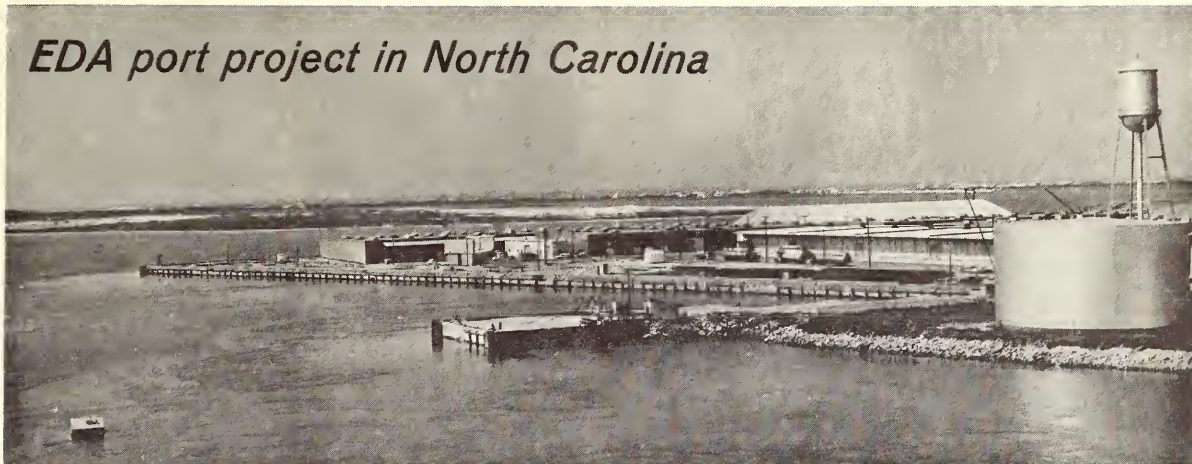
Just 200 yards from the Marine Science Center is docked the \$2-million OSU research vessel, MS Yaquina, commissioned with funds provided by the National Science Foundation and turned over to the University to serve as an oceanographic ship. Capable of reaching the open ocean in a matter of minutes, the Yaquina will cruise within 500 miles of the Pacific Coast, collecting data and marine-life

specimens for analysis in the ship's seven laboratories and in the Center's laboratories ashore.

Upon completion, the Center will provide not only direct employment but numerous new jobs as well in related private and public research activities, the manufacture of marine instruments, and tourism.

In view of the experience of similar research centers at LaJolla, California, and Woods Hole, Massachusetts, the Marine Science Center at Yaquina may draw as many as 100,000 visitors annually.

EDA port project in North Carolina



The site of the present facilities at Morehead City Port. Construction will be on the opposite side of these berths, which are now in use for the export of tobacco.

Morehead City Feeds Phosphate to the World

Forty-five miles north of Morehead City, North Carolina, one of the largest phosphate strip mines in the world is increasing production every day. At a time when ore in other areas is rapidly becoming depleted, this large reserve located near navigable water can supply fertilizer to much of the world for the next 200 years.

With the rapid increase in world population and an accompanying decline in new farmable land, one way to supply world food requirements is to produce more crops per acre. Phosphate is a key ingredient in fertilizers.

The Economic Development Administration is helping to get this phosphate to the world market. It has approved a \$9.5 million loan to the North Carolina State Ports Authority to help enlarge the port at Morehead City in Carteret County to accommodate ocean-going bulk carriers. Funds will also be used to construct rapid-loading facilities, conveyor systems and bulk storage facilities.

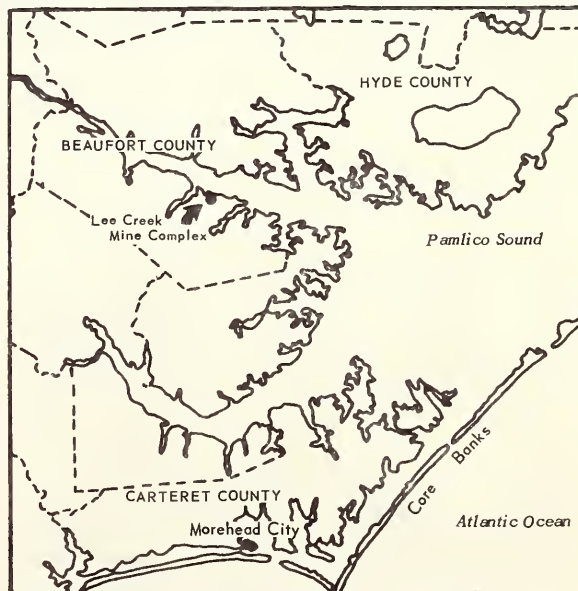
The Texas Gulf Sulphur Company, developer of the phosphate mine at Lee Creek in Beaufort County, is installing special facilities for getting the ore out by rail, truck, barge and sea-going vessels.

The EDA assistance to enlarge the port will involve shoring up land to provide new docking space. An additional 1,100 feet of wharves and terminal space, which will berth two more general cargo

vessels, will be constructed, making a total of seven berths that can be used at one time.

The new bulk loading facilities will load over 2,500 tons of ore per hour. There will be 100,000 square feet of storage space.

A huge dredger works constantly, digging the harbor to a depth of 50 feet, pumping the sandy-



Reprinted from ECONOMIC DEVELOPMENT—November 1966



EDA Project Officer Roy Coates, Mayor George Dill of Morehead City, N.C., and James Evans, Director of Morehead City Port Authority (l. to r.) go over blue prints and progress sheets on the construction of the expanded port facilities.



Workmen (above left) are shown bolting on a flange for the water supply at the Lee Creek Mine. The huge crane can be seen at work in the background. At depths between 90 and 130 feet below the surface, the crane digs the ore, which finds wide use in fertilizers, metallurgy, plastics and detergents.



This crane (above right) has the largest shovel in use in the world in the phosphate strip-mining industry — 72 cubic yards capacity. The shovel operates 24 hours a day, 7 days a week. The boom measures 300 feet.



Construction workers (above left) are positioning sheet piling where the high pressure water drill will be lowered into place. These men have already started to clear the way for construction of the bulk loading facilities, warehouses, and additional wharves and terminal space required for the export of phosphate ore from the Lee Creek Mine.



Both skilled and unskilled workmen can find jobs on the Morehead City Port Project. Men (above right) are shown welding an extension on the high-pressure water drill used to clear away mud and shale so that steel sheet piling can be driven in.

A dragline operator and an oiler operate the shovel — a hydroelectric mechanism with an air-conditioned cab.



shale and depositing it in the area next to the existing docks, making new land to support several warehouses. This preliminary work is being financed through a \$3.5 million investment by the State.

In 1965, 332 merchant vessels called at the Morehead City Port. By 1968, the number of vessels should double because of the new facilities.

The Lee Creek Mining Complex represents an investment of \$77 million and will employ 600 persons when in full operation. Buildings will house a mill; a sulphuric acid plant; a phosphoric acid plant; three dry-phosphate chemical plants; service facilities to maintain, control and improve the operation;

and facilities to receive supplies and to ship products by rail, truck or barge.

The port expansion and mining complex are expected to promote new jobs and industry in Beaufort and Carteret Counties. There will be 385 immediate, direct new jobs, of which the Texas Gulf Sulphur Company is expected to provide 325 and the port 60.

A feasibility study conducted before the port project was approved estimates that as many as 50 new plants, with a combined investment of \$96 million and employing more than 3,000 persons, may be generated by the expanded facility.

Renewed Confidence Keynotes Comeback For Oklahoma Town

Five years ago the residents of Hartshorne, Oklahoma, a once-prosperous coal mining and agricultural center, were watching their town gradually disappear as young people moved away in search of jobs.

Today, with a vigorously growing electronics plant expanded with the aid of EDA loans, the town is on the move again. It has reversed a long-term pattern of out-migration and now is facing the welcome new problem of providing facilities for new citizens moving in.

In the 1920's, coal mines in Pittsburg County near Hartshorne were the mainstay for the town, providing good wages for skilled miners. This income was supplemented by a thriving farm industry. The area was a leader in the production of cotton, corn and oats, and livestock.

But when railroads began converting to diesel power, a major local market for coal dried up. Increasing transportation costs over the years made it uneconomic to ship the Oklahoma coal to other markets. The decline had begun.

In 1932 the Chicago and Rock Island Railroad Company closed its mines in the area. In 1933 the Dow Coal Company followed suit. Almost 250 men lost their jobs when the last major mining firm closed down in 1963. At the same time, mechanization of agriculture was eliminating farm jobs in the Hartshorne area.

The results show in the census figures. In 1930 Hartshorne had more than 3,400 residents. By 1940

the total was 2,596. In 1950 it was down to 2,330. In 1960 the population was 1,903. The out-migration continued until 1964, when the population was estimated at 1,800.

This pattern reflected that of Pittsburg County as a whole, which declined from 48,985 residents in 1940 to 34,360 in 1960, a drop of 29.8 percent. And while productive workers moved out, unemployment rates continued high. The county had 9.9 percent unemployed in 1963.

Progressive citizens of Hartshorne began 10 years ago to try to stem the tide of economic depression that was inundating the town. Brent Crawley, an automobile dealer, was among business leaders who helped to organize Hartshorne Industries, a local development company aimed at attracting industry and jobs.

Warm Response Meets Call for Funds

"We raised \$7,000 in a subscription campaign," Crawley relates. "The money was contributed by businessmen, farmers and ranchers. We didn't accomplish much with that fund. But when Jim Rice came along with Oklahoma Aerotronics, we had no trouble raising money to help him get started."

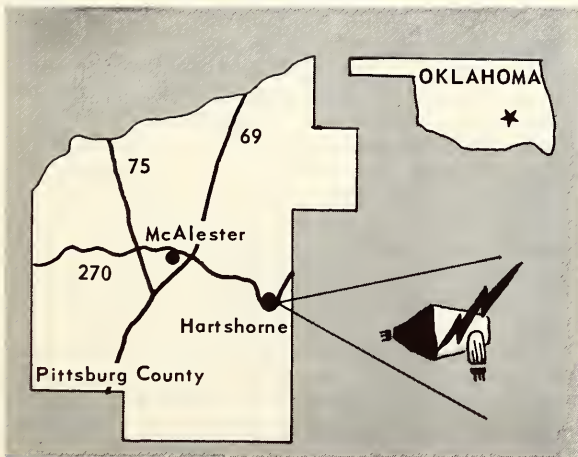
James H. Rice had been general manager of an electronics plant in McAlester, Pittsburg County seat, before deciding in 1963 to go into business for himself and to establish a plant in Hartshorne. Rice's move was a momentous one for Hartshorne.

"Many people were out of work, local pay scales were low, merchants were extremely worried about the future and the people as a whole just plain lacked confidence in their town," says Crawley. "The finest day in our history was when Jim Rice told us what we could do for ourselves if we would just try."

Rice's idea was given a warm reception by community leaders.

Oklahoma Aerotronics was incorporated in September 1964, with \$18,000 in equity capital. The firm began operations in 1,000 square feet in the Hartshorne Armory building, which it rented for \$20 a month.

Aerotronics showed signs of growth almost immediately, and Hartshorne Industries leased the American Legion building and raised \$13,000 to remodel the hall for sub-lease to the firm. No rent was charged for the first 6 months.



"People could see what this new firm would mean to our town; and they were anxious to take part in that \$13,000 subscription," Crawley says.

The Legion Post has recently sold the 70- by 140-foot building to Hartshorne Industries for continued lease to Aerotronics.

The firm started with 10 employees. It obtained a \$19,500 loan from the Area Redevelopment Administration in June 1965, to help finance a \$30,000 expansion, and it borrowed \$78,000 from the Economic Development Administration in November



Oklahoma Aerotronics workers assembling electronics devices.

1966, to help pay for \$120,000 worth of additional equipment and machinery.

When Aerotronics bid on a \$1 million contract with the U.S. Army, Rice was informed that he would need a \$100,000 line of credit to insure he had enough working capital to qualify. Ten Hartshorne businessmen pledged \$10,000 each to guarantee the \$100,000 credit with a local bank, and the firm got the contract. "We have produced more than \$2 million worth of the product we were bidding on," says Rice.

The firm has actually used only \$41,500 of the credit made available. In March 1967, EDA approved a guarantee of 90 percent of a \$200,000 working capital loan with the Bank of Hartshorne, but the firm has not yet used this line of credit.

The company has grown rapidly. It now occupies all of the space in the renovated Legion Hall and has operations in three different buildings on Pennsylvania Avenue, the main street in Hartshorne. A machine shop, established to supply Aerotronics and to do subcontracting for other manufacturers, operates in a building that formerly housed a furniture store.

Aerotronics now has 200 employees, sales of above \$4 million a year and a payroll of more than \$1 million a year. Rice expects further growth in 1968 to increase the work force by 150 persons.

Most of the production to date has been defense products, but Rice is looking forward to diversification into civilian items.

He took a major step in that direction in the Fall of 1967 when Aerotronics purchased the stock and assets of the Electro-Lumen Company of Purcell,

Oklahoma, and moved the operation to Hartshorne. The new product is a lighted street number for houses, which Rice says is clearly visible from 75 feet away and costs the householder eight-tenths of a cent a year to operate.

The growth of Aerotronics has contributed substantially to reversing the population decline of Hartshorne. John Long, president of the Chamber of Commerce, estimates that the town now has 2,400 residents, a growth of a third since 1964.

Business leaders estimate that retail trade in the town is up by at least 20 percent over the last 12 months. Several businesses have remodeled and expanded.

Harvey Dolins, president of the Bank of Hartshorne, points out that in the last 5 years his bank's assets have almost doubled, increasing from \$1,286,879 in June 1962, to \$2,204,207 in October of this year.

Mayor Jim Leonard says that the town's budget has increased from \$56,262 five years ago to \$101,853 for fiscal 1968. The City Council has appropriated money for a \$750,000 low-rent housing project. The Hartshorne Roundup Club has expanded its rodeo facilities and is making plans for a bigger roundup next July 4.

Home construction has not kept pace with the town's growth, and a key problem now facing Rice is housing for his growing work force. On a visit to the EDA Office of Business Development earlier this year, Rice mentioned the problem. It was suggested that he could ease the problem by obtaining mobile homes from a Georgia firm operating in an EDA-financed plant.

Rice accepted the suggestion and, joined by four Hartshorne businessmen, purchased 11 trailers, which now house employees of Aerotronics. Occupants are charged \$100-a-month rent, but Rice has a stipulation that \$25 of that amount will be refunded to any Aerotronics employee who subsequently builds or buys a home in the area.

Rice is also involved with other local businessmen in the development of a cooperative non-profit subdivision.

The jobs at Aerotronics have been a key factor in the reduction of unemployment rates in Pittsburg County. The expansion of operations at the U.S. Naval Ammunition Depot south of McAlester has helped, as have the establishment and expansion in McAlester of firms aided by the county's Overall Economic Development Program committee. These firms include Lockheed California, North American, and Marine Engineering and Equipment Company.

From a 9.9-percent rate in 1964, Pittsburg County unemployment dropped to 6.3 percent in 1966.

Hartshorne community leaders appreciate what the Aerotronics firm has meant to their community. They are already active in a campaign to improve community services and to induce other industrial firms to open in the area new manufacturing plants that will insure growth and jobs for the future.

Management counseling helps Georgia firms

Build Jobs on New Ideas

Six weeks after we started in business, we had a meeting one Saturday morning and discovered we were broke."

This statement was made by Thomas Turner, president of the now thriving Trinity Carpet Company in Murray County, Georgia. Turner was explaining how he came to seek advice under a Georgia Institute of Technology management counseling program sponsored cooperatively by the Economic Development Administration of the U.S. Department of Commerce, and the Georgia Board of Industry and Trade.

This year, Georgia Tech is operating the program with the help of a \$203,623 EDA technical assistance grant. The services are aimed particularly at the 83 Georgia counties troubled by problems of unemployment or low family income and qualified for EDA aid.

Under this Federal-local program, Georgia Tech for two years has been counseling established and prospective business firms to help them create new jobs in these needy areas.

The counseling is limited to firms that cannot normally obtain professional consulting services.

In some cases, the experts have advised firms to go out of business; but in many of the 193 cases, persons counseled have opened or expanded businesses.

The results? More than 1,000 jobs have already been filled or will soon be available.

Fifty of these new jobs are at the Trinity Carpet Company near the small town of Chatsworth.



President Thomas Turner (left) of the Trinity Carpet Company and Gary Nolan, head of the Georgia Tech Industrial Development Division's Rome office, go over a plant diagram prepared for Trinity by a team headed by Nolan.



The carpet company's history, in brief, runs like this:

It started business in July 1964.

Six weeks later the investment was gone, but the firm obtained private credit and started up again making inexpensive tufted carpets.

Advice Yields Increased Profits

At the end of the first year, sales totaled \$1,250,000, and they are now nearing the \$3 million mark.

What made the difference?

As Turner puts it, "We went to the Georgia Tech people, told them our problem and asked if they could help us.

"They advised us to put in a third and fourth carpet tufter and how to place the oven we use to bake the latex backing onto the rugs. They laid out storage areas for yarn and finished products," Turner said.

"By the time the first counseling was over, we had expanded our plant from 15,000 to 50,000 square feet, and now they're working with us on

a monorail system to carry finished carpets from the oven to the binding machine."

For the company, all this has meant a new life—and for the people of the area, it has meant new hope.

Jobs at the plant have increased from 15 to an average of 65, with payrolls running \$4,500 to \$5,000 a year for the employees.

Workers Now Can Plan for Future

One of those 50 new jobs came on March 1 of this year to 30-year-old Floyd Payne, who had been without a steady job since before Christmas.

Now that he is on the payroll, he is enthusiastically mapping out plans for his wife and their first baby, due in August.

"We live in a small house trailer and, with this new job, I'm looking forward to building me a house on a lot I own. I hope to be able to do it in about a year. I'm also hoping to get me a new pickup truck. I'll sure need one when I build me a house."

The story of the carpet company and Floyd Payne is being repeated elsewhere in Georgia with the help of EDA and Georgia Tech.

The Legion Manufacturing Company of Dallas, Georgia, which uses plastic and cloth scraps to turn out bedroom slippers and scuffs, was one of the others that turned to Georgia Tech for help.

Advice came in the form of design and marketing counseling that has sent the firm's business and employment soaring.

Sam Spinks, general manager and part owner of the company, reports that, because of the help,



Floyd Payne works as a creeler at Trinity Carpet Co. He plans to use the wages from his new job to "build me a house."



General manager Sam Spinks (left) and William I. Denman, Jr., head of Management and Technical Services of Georgia Tech's Industrial Development Division, examine some plastic shoes designed for the Legion Manufacturing Company by IDD.

the work force has jumped from 6 to 60 and output has zoomed almost 500 percent—from 200 dozen pairs of slippers a week to about 1,000 dozen pairs.

"With the new business, we are putting in new equipment," Spinks said.

For the community, the expanded business means a payroll averaging about \$3,500 a week.

In Cedartown, Georgia Tech has a double counseling program going on with one businessman, T. L. Mullen. The experts are helping him to find sales outlets for a new type of furniture polish. They also have helped him find a new industrial tenant for a building formerly occupied by a hosiery mill. The firm, the Hermitage Furniture Company, is consolidating a scattered operation and has announced plans to expand its work force from 65 to 150 and eventually to 250 persons.

EDA Loans Spur Job Development

The Georgia Tech-EDA program has provided a variety of other counseling assistance to create new jobs. Communities and firms have been aided in working with other Federal programs, as well as with other programs of EDA. Some of those counseled have received EDA direct business loans.

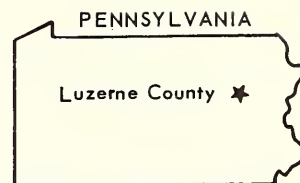
They include a Jesup vegetable processing, packaging and freezing plant that obtained a \$2.6 million loan in September 1966 and expects to employ 173 persons directly and to stimulate 300 directly related new jobs; a Dublin furniture manufacturing company that obtained a \$1.625 million loan in December 1966 and expects to employ 196 persons; and a plywood manufacturing firm in Cedar Springs that was given a \$2.761 million loan in June 1966 and expects 139 direct employees and 100 indirect jobs in supplying operations.

William I. Denman, Jr., director of the Georgia Tech counseling program, sums it up this way:

"The essential ingredient in the success of our program so far has been cooperation—cooperation at the local, State and Federal levels to get the job done."

Pennsylvania's 'Can-Do' county finds

Economic Strength in Diversity



Faced with extinction as a community because of the decline of their one basic industry—the mining of anthracite coal—the people of Luzerne County, Pennsylvania, have fought and won a long battle for economic survival and growth.

Luzerne encompasses the cities of Wilkes-Barre (215,000 metropolitan area population) and Hazleton (65,000 overall population), both of which shared a drastic loss of population and high unemployment rates that dated back to the early 1930s and sharply increased after World War II.

Even after the decline in population, especially among younger families seeking jobs elsewhere, the county unemployment rate was 17.1 percent in 1953 and still 13.9 percent in 1961. A dramatic reversal of this trend in recent years has brought the rate down to only 3.6 percent unemployed in November 1966.

This accomplishment came about as citizens in both communities rose to the challenge by forming industrial development companies to attract new industry. In the process, they took advantage of all available opportunities, including the Federal economic development program, now in the form of

the Economic Development Administration, U.S. Department of Commerce.

Here are some of the significant contributions of the Federal program to Luzerne's comeback.

- A \$400,000 grant to Wilkes College in April 1962, to help build a scientific area research center. As a result of this project and related expansion by the college, the Radio Corporation of America built in the area an electronics plant that employs 2,000, and it is planning an expansion expected to add 800 workers. RCA is also building a color television tube plant with an expected 600 workers in adjacent Lackawanna County; and the Owens Illinois Corporation has under construction a plant that will employ 1,000 persons making glass chassis to supply RCA.

- A \$325,000 loan and grant to the Hazleton City Authority in April 1962, to finance a water system for the Valmont Industrial Park. As a result, three firms have expanded and two new ones have established plants in the park, with total job gains of 467. The park now has 13 plants with a total employment of 2,000.

- Business loans totaling \$3.7 million that, in September 1963, helped establish a Japanese plastics plant now employing 60 persons in Hazleton, helped save and expand a weaving firm now employing 340 persons in Valmont Park, and helped establish a plastics manufacturing plant now employing 148 workers in Crestwood Industrial Park near Wilkes-Barre.

- A \$150,000 technical assistance project in October 1964, to help establish the Economic Development Council in Wilkes-Barre—a research and information agency serving seven northeastern Pennsylvania counties.

- Establishment in Wilkes-Barre, in January 1966, of an area office of the Economic Development Administration with 50 employees now serving four States, Puerto Rico and the Virgin Islands.

Legacy of a One-Industry Economy

The economic history of Luzerne County is one of boom and decline, followed by a determined struggle to recovery.

The county is situated in the Pennsylvania anthracite range, which is about 40 miles wide and 100 miles long. Local developers point out



Reprinted from ECONOMIC DEVELOPMENT—April 1967



Cathy Brown (left) and Fern Pozda mix pigments for plastic materials at the Harte and Company plant in Crestwood Industrial Park.



This aerial view shows part of the 835-acre Valmont Industrial Park at Hazleton. Valmont now has 13 new plants brought in by CAN DO.

that the area was booming between 1920 and 1925 when 40 million tons of the hard coal were mined annually and used primarily for home heating but also for commercial and industrial purposes. The industry reached a peak in 1927, then went into a gradual decline as competition from fuel oil and natural gas increased.

The area was given a reprieve during World War II as demand for the coal increased, and unemployment dropped from 28.4 percent to 9 percent. After the war, the economy faded rapidly and the population dropped drastically. From a 1930 census figure of 445,109, Luzerne's population dropped gradually to 441,518 in 1940, but by 1960 it had plummeted to 346,972, a decrease of 21.4 percent.

Hazleton alone had a decline of 1,000 persons a year for a nine-year period after World War II. "And most of them were our young people," says Joseph Yenchko, director of industrial development for the Greater Hazleton Chamber of Commerce.

The four local development companies in Luzerne — three in Wilkes-Barre and one in Hazleton — are arms of the respective Chambers of Commerce. Their staffs are employees of the Chambers, and other administrative expenses are borne by the Chambers as well.

Redevelopment efforts were begun early in the prewar decline, but most of the firms attracted to the area in the early years were garment makers, which employed mostly women. By 1956 the area had what local leaders call an "Indian economy — the women worked in needle factories while their men hunted and fished, or stayed home and tended the children."

Yenchko points out that the Hazleton redevelopment effort received a setback in 1947, when a local development company was formed and raised \$650,000 in a three-week bond drive to build a plant

to attract an electric parts company. A firm accepted the offer, but it could provide jobs for only 350, instead of the 2,000 expected by the community. As a result, the program languished for almost 10 years.

Dr. Edgar Dessen, a physician who was serving as president of the Chamber of Commerce, finally tired of expressions that "nothing can be done." He made up an acronym, CAN DO, and dreamed up a name for a development company to fit it: Community Area New Development Organization.

Local Initiative Gains Federal Help

Dr. Dessen and the other organizers talked to every group in the community, including ladies' aid societies and coal miners on their lunch breaks. In three weeks they had raised \$770,000 in bonds and cash. They bought the 550 acres that later became Valmont Industrial Park. They put up a 60,000-square-foot shell building and attracted the General Foam Company with jobs for 35 workers.

They began developing the park, put up a second shell building and, in 1958, brought in a second firm. Later fund drives raised \$1,645,000, and by February 1963 the tenth firm was moving into Valmont. In the meantime, the Federal economic development program was established; and in 1962, Hazleton received the \$200,000 loan and \$125,000 grant from the Area Redevelopment Administration to finance a water system for Valmont.

In its 10 years, CAN DO has brought in 25 firms and built 31 buildings, some of them for expansions. General Foam has expanded five times and has more than 800 employees. Direct new industrial jobs for the area total 5,000.

Twenty-three miles north in the sister city of Wilkes-Barre the story has been the same, but on a larger scale. Here there are three development companies at work: The Greater Wilkes-Barre In-

dustrial Fund, Inc.; The Committee of 100, Inc.; and Area Industrial Development, Inc. Four fund-raising drives starting in 1955 brought in more than \$4 million in cash contributions.

Revolving Fund Extends Loan Potential

The development companies use this money as a revolving fund to make long-term, 2-percent loans to new or expanding industrial firms. Since 1955, the companies have been involved in 55 projects providing 13,880 new direct jobs. In most of these projects the Pennsylvania Industrial Development Authority (PIDA) also has invested funds at 2-percent interest. When PIDA was established in 1956, Wilkes-Barre had the first application approved by the agency, and it has received more loans for more funds than any other area in Pennsylvania, according to Edgar J. Lashford, executive vice president of the Greater Wilkes-Barre Chamber of Commerce.

The first Federal development loan in Luzerne County was to help establish the Sekisui Plastics Corporation in Hazleton. This subsidiary of an Osaka, Japan, firm makes polystyrene foam sheets generally used as packaging material. The Federal involvement included a \$340,000 loan to *CAN DO* for the land and building and \$585,000 to Sekisui for machinery and equipment.

The second loan helped to save 340 jobs for Hazleton by keeping the Hazleton Weaving Corporation in the community. The project involved a \$656,000 loan to *CAN DO* for land and a building in Valmont, and \$605,475 to the company for machinery and equipment. The firm makes upholstery and drapery material and dress fabrics.

Hazleton Weaving's employees come mostly from Luzerne County, with 97 percent of them from

within a 15-mile radius of Hazleton. The firm uses two looms for training employees, who start as warp boys and progress to warp starters, to weavers, to fixers.

Last year, the Economic Development Administration approved a loan for \$1,530,000 to Harte and Company, to finance a plant making plastic film and molded materials at Wilkes-Barre. Using polyvinyl chloride as its basic material, the plant makes such items as automobile foot mats, bath mats, kitchen fatigue mats, and drainboards.

According to A. J. Parente, Harte's office manager, the plant now has 124 hourly workers and 24 salaried employees. "We now have on order another press that will add 10 workers, and in the next two years we expect to have at least 250 employees," he said. "This is Harte and Company's plant for expansion. Any new products will be produced here. For instance, we are developing a new woven plastic. One use of the new material will be in golf bags."

Harte also uses almost exclusively local labor. Only the plant manager is from outside the community. Working with the U.S. Employment Service Manpower Development Training Program, Harte has trained 120 employees since October 1966. The program is continuing, Parente says.

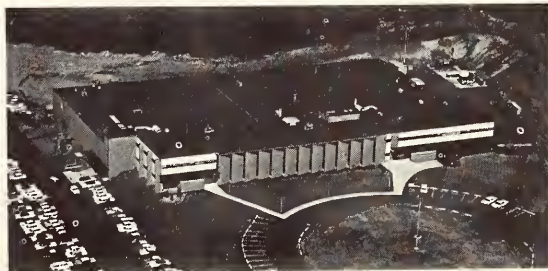
Job Building Through Research

Among the projects aided by Wilkes-Barre's revolving development fund is the RCA plant, which depended upon assurances by Wilkes College that it would establish a research program. The research facility, built with the aid of the Federal grant, is serving its purpose, according to Dr. Francis J. Michelini, Dean of Academic Affairs.

Five RCA employees are working on theses for Masters' degrees and doing research into such things as surface properties of semi-conductors and



Graduate student Lawrence Mega (left) and Dr. Stanley J. Holden, director of graduate student research at Wilkes College, work on a Radio Corporation of America research project on the surface properties of semi-conductors. A Federal grant to help build the research center at Wilkes helped to attract the RCA plant to Wilkes-Barre.



The Radio Corporation of America plant in Crestwood Industrial Park near Wilkes-Barre employs 2,000 and is expanding its operations.

the internal friction of non-metallic solids. Graduate students from other firms in the electronics and fiber glass fields are doing basic research projects at the school. Wilkes also is offering a graduate class each semester for about 25 RCA employees. In January 1967, this was a special course in semi-conductor designs.

Dr. Michelini also points out that the new science and research facility, Stark Hall, has stimulated rapid growth and expansion by the college. In 1959-60, he says, Wilkes had about 1,200 students and offered a two-year physics program with no research. "There were only three Ph.D.s in the Science Department, and two of them were in biology," he recalls. "Now with the research facilities and graduate program, we have 2,000 students overall, and 24 instructors in science with doctorates—eight in physics, nine in chemistry and seven in biology. We also have research programs in all three fields."

Technical Assistance Helps Solve Problems

In carrying out their program, Luzerne County developers have made use of all aspects of the Federal program, including technical assistance, which is aimed at helping to overcome special problems and to provide information.

In preparing their Overall Economic Development Program, required for designation for Federal assistance from the Economic Development Administration, Luzerne leaders noted that the appearance of the area is blighted in many cases by stripping pits, culm piles, spoil banks and other evidences of coal workings. A special problem has resulted from fires inside the banks of culm—the earth, low-grade coal, rock and slate left after usable coal has been removed.

The Huber culm bank at Ashley, near Wilkes-Barre, covers 85 acres and has been burning for many years, emitting noxious fumes and endangering the health of nearby residents. Grants from the U.S. Departments of Commerce and Health, Education, and Welfare, as well as from the Pennsylvania Department of Mines and Minerals, are financing a project to demonstrate methods of extinguishing the fires in the Huber bank. The Economic Development Administration also approved a \$47,750 project in June 1966 and another \$300,000 project in February 1967 to test new methods of fighting the fires.

Another EDA technical assistance project of widespread import in northeastern Pennsylvania is the funding of the Economic Development Council in Wilkes-Barre. In two years, the Council has:

- Conducted a major airport study, which found it economically feasible to make the Wilkes-Barre-Scranton airport a jetport with economic benefits to the area. It also recommended the establishment of management and service areas to improve service at the airport.



This is the way they do it in Hazleton. *CAN DO* now has available this 60,000-square-foot shell building in Valmont Industrial Park. It will be finished to suit the needs of an industrial firm desiring to locate in the area.

- Conducted two manpower studies—one of which found 3,800 unfilled jobs in the area, generally in the low-wage, low-skill categories.

- Made a comprehensive inventory of all public and private recreation and tourism facilities in a seven-county area that includes the famed Poconos and Endless Mountains. This involved 2,200 interviews to find what is needed to increase the area's tourism income. It will be followed up with a merchandising campaign to sell area attractions.

Raymond Carman, an employee of the Pennsylvania Economy League, doubles as executive director of the Economic Development Council. The State of Pennsylvania has recommended the Council as the agency to plan an EDA Economic Development District for Luzerne, Lackawanna, Carbon, Schuylkill, Pike, Wayne and Monroe Counties.

Carman believes that probably the most significant contribution of the Development Council has been the establishment of a management consultant extension service to make management advice available to small firms in the area. "We have many small family-owned concerns that can benefit from management advice," he says.

Economic development is a continuing effort in Luzerne County, and with the annual unemployment rate down to 4.8 percent for 1966 and the monthly rate as low as 3.6 percent in November 1966, there is an air of confidence among development leaders in both Hazleton and Wilkes-Barre.

Strength in Diversity

"We are still looking for new industries," they say, "but now we are inclined to take a closer look at their financial statements than in previous years. We are concentrating also on varying the types of firms we attract. We never again want to be vulnerable to the decline of a single industry."

The estimated population of the county today is 347,000, just about the same as in the 1960 census. The decline continued until late 1963, according to Carman. Tabulations of telephone and utility connections indicate an accelerating gain since that time.

Pennsylvania, also, is betting on Luzerne County's comeback. Carman notes that the State Planning Board "estimates our area will be the fastest growing area in Pennsylvania from 1965 to 1975. They are predicting a 30-percent growth in population!"

"Self-help" spirit sets pace as

Farm Town Converts to Industry

This is the story of Greeneville, Tennessee, a town which for the last 20 years has been climbing the economic development ladder—and is getting there largely through its own efforts.

Greeneville is the county seat of Greene County, an area of hills and valleys, where one-half the 4,848 farms are under 20 acres in size—too small to be economically viable units.

There's a lot of history in Greeneville. Established in 1783, it is one of the oldest towns in Tennessee. Davy Crockett, hero of the Alamo, was born in Greene County in 1786 and Andrew Johnson, 17th President of the United States, opened a tailor shop in Greeneville in 1826. The shop is still preserved as a national shrine. Johnson is buried in Greeneville.

Greeneville is the site of the oldest chartered college west of the Alleghenies, Tusculum College, founded in 1794.

But this story begins in 1946. At that time Greeneville was little more than a country town. It had a population of 6,784. Only a handful of industrial jobs existed, scattered among a dozen small establishments.

In short, it was a rural town. Unemployment and underemployment were high.

Today, Greeneville has a population of 14,060. It has more than 50 large and small industrial and commercial enterprises. The town is no longer rural-based but has become an industrial and commercial center for this section of east Tennessee.

As late as April 1961, when the Government started collecting unemployment figures for Greeneville, one in five workers—20.6 percent—was looking for a job. But by 1966 the average had plunged to 5.4 percent.

Once-Rural Town Now Bursting At Seams

Greeneville has grown in size, extending its boundaries into rural areas. Residential construction is booming; homes and shopping centers are going up all over the place. Greeneville has trouble providing the sewer and water and other public facilities needed to handle this expansion.

Here's how it all happened:

It began in 1946, when a group of local citizens formed a non-profit industrial development organization, the Greene County Foundation, Inc., to help speed the area's conversion from a rural to an industrial economy.

Elmer Cox, industrial representative for the local Tennessee Valley Authority cooperative, has been active in the Foundation's work since the beginning. He puts it this way:

"We knew our problem. We needed industrial jobs to replace those that were disappearing from the farms."

It was a successful program from the start. Within a year, the Foundation had negotiated a location for a small plant with Magnavox—radio, TV, Hi-Fi. Today Magnavox has three plants, the largest of which has 19 acres under one roof. The firm employs 2,500 workers.

Thus far, 39 plants have gone up in Greeneville since the Foundation was formed, and more than 5,000 jobs have been created through the Foundation's efforts.

Local officials give credit for this success to good planning, broad participation, good zoning laws and an intelligent land-use program.

The Foundation started out with \$100,000, contributed by public-spirited local citizens. At no one time since then has the Foundation had more than \$130,000 to work with.

"We kept using our money over and over," Cox says. "We bought land and rail sidings, developed industrial sites and then sold them, helped firms arrange financing—doing anything to build up our economy and create jobs."

Growing Pains Demand Attention

All this increased industrial activity was bound to put a strain on Greeneville's public facilities, creating a need for expansion.

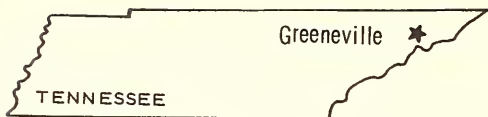
Mayor James N. Hardin explains the problem: "Our sewers and water systems were overloaded. We needed water storage facilities close to the industrial plants. Being a depressed area, we couldn't raise the money by increasing taxes. So we turned to the Federal Government for help—and we got it."

Greeneville's problem was solved with a grant from the Economic Development Administration. Total cost of the project: \$1,469,000—\$881,300 provided by EDA, the rest by the community.

In addition to sewer and water line extensions, the project includes an access road to the industrial area, a water filtration plant and a million-gallon water storage tank.

The access road will eliminate a dangerous grade crossing and will open up additional industrial sites for development.

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Local officials estimate that 1,675 new jobs will be created through the expansion of existing plants and new firms starting up as a result of the expanded public facilities.

There is an added plus to this EDA public works project. While the facilities are primarily to serve industrial areas, the sewer and water lines also serve a 20-acre tract of land where low-cost homes are being built for low-income families being displaced by an urban renewal program.

In addition to the public works grant, the Federal Government gave one other lift to the Greenville effort.

This was an earlier project — a \$325,000 business loan, approved during the closing days of the Area Redevelopment Administration in 1965, but funded under EDA.

The loan helped the Franklin Furniture Company get started. The company employs 160 workers. About the same number work in the woods and in nearby lumber mills, harvesting the timber and processing it for Franklin.

Jobs Provided for All Skill Levels

The furniture plant has a special appeal for Greenville, Cox says:

"The new firms coming in — electronics, machine shop, chemicals — were skimming the cream, hiring only the younger, better educated, more easily trained workers, leaving the others jobless.

"We thought a furniture factory might be just the thing. There's a lot of native hardwood in these hills, and a furniture factory uses a lot of it — and requires a lot of unskilled and semi-skilled workers."

Besides the 160 jobs, there is a by-product benefit to the Franklin EDA project.

Mentally handicapped persons, age 9 to 26, at the State-operated Greene Valley Hospital and School, weave chair seats for Franklin. The firm furnishes the material and pays 75 cents to \$1.15 for each chair seat. All of it goes to the worker.

Donald Williamson, director of adjunctive therapy at the Greene Valley School, calls the chair seat program "excellent therapy." He describes it as the school's "most dramatic program," noting that some of those weaving chair seats have improved enough to take jobs outside the School.

Workers at some of the new Greenville plants are being trained under Federally financed programs. Thus far, about 250 workers have been trained for jobs as electronic technicians, machinists and machine shop workers under the Manpower

Development and Training Act, administered by the U. S. Department of Labor.

Greenville's well planned, well directed attack on the employment problems of the area — through local and Federal cooperation, and private and public investment—is steadily reducing the community's joblessness.

Farm and Factory Share Local Interest

With Greenville's unemployment down to 5.4 percent as a result of industrial development, Greene County no longer depends primarily on agriculture. However, many of the workers in these plants still live on farms, which they operate on a part-time basis.

A number of these workers are employed at Franklin Furniture. Among them is Jack Debusk, 52, who has been with Franklin since December 1965.

He still works his farm part-time. And now with a steady pay check coming in, he says he can do a lot to improve his farm. He has bought a new car, a new tractor, "and a \$225 tobacco setter."

Debusk has been a farmer all his life, and this is his first non-farm job. He explains why:

"I didn't have enough education to get a job in town. Only went to fifth grade in school. Had to help out on the farm after that.

"Franklin gave me my chance—and I like it fine."

The story of Jack Debusk is the story of Greenville, where hard work and community cooperation have opened up new opportunities and hope for the people of this Tennessee town.



HAS HIS CHANCE — Jack Debusk, 52, has his first industrial job after years as a farmer. Here he is shown operating a stroke sander at the Franklin Furniture Co. in Greenville.

Arkansas County Shows How Cooperation Creates Jobs

Baxter County, Arkansas, couldn't wait for prosperity to just happen.

In 1960, family income in the Baxter area of the Ozarks was 50 percent below the national average. Fewer than 250 manufacturing jobs existed for the county's 10,000 residents, and population had dropped 15 percent as workers left for more promising areas.

Today, in Baxter County, hundreds of new jobs have been created, manufacturing payrolls are up \$4 million, and family income has increased 40 percent. The big turning point came when the county's communities joined forces to plan industrial growth.

Here's how they succeeded.

Baxter County's economic revival began in 1961 when Mar-Bax Shirt Company agreed to locate a manufacturing operation in the town of Gassville if a plant were made available. Jobs for 600 workers in northern Arkansas would be created, but the \$535,000 price tag was too much for one community.

County Cooperation

Baxter and adjacent Marion County cooperated to provide the plant. This action was the first instance in Arkansas history of multi-county public financing for a single industrial plant.

Another first came several months later when the U.S. Area Redevelopment Administration, now the Economic Development Administration, approved its first project—a \$160,000 grant and loan to finance a water system serving Gassville and the proposed shirt plant. With the plant assured, public-spirited citizens turned their attention to blueprints for other areas of need.

Ground was broken on a new \$615,000 Baxter County hospital in Mountain Home, financed with \$285,000 in local funds and \$330,000 from the U.S. Department of Health, Education, and Welfare.

County leaders also began working with the U.S. Army Corps of Engineers on a \$300,000 improvement program at nearby Bull Shoals Lake and on creation of a model recreation area to attract tourists. Under way, too, was a campaign to construct a county library with public contributions.

Another New Firm for Baxter

In 1963, construction began on another new plant. Baxter Laboratories, Inc., an Illinois-based

manufacturer of drugs and pharmaceutical items, announced it would locate a plant in Mountain Home. The city's residents raised \$3 million to finance the plant's operations, and 100 new jobs were assured.

With the opening of Baxter Labs, the local economic pace quickened.

Development started on a four-acre shopping center north of Mountain Home, and residential construction increased 50 percent. Spendable income in Baxter County rose by \$1 million and topped the national average. Employment at the shirt company increased to 800, and the firm announced a 45-percent plant expansion. The village of Cotter invested \$260,000 to help rebuild and expand two local firms employing 50 additional workers.

But Baxter's employment problems were not yet solved. While the shirt plant and the laboratories had provided more than 900 jobs, most of the new employment opportunities were for women.

A New Idea for Jobs

The search for industries providing jobs for male workers led county leaders to form the non-profit Industrial Development Corporation of the Ozarks (IDCO). The organization's aim was to establish an airport-industrial park. The complex would be operated on a cooperative compact between three towns in the county, and the 729-acre park would be one of the largest in Arkansas.

More than \$150,000 was raised by IDCO to finance the airport park. The Economic Development Administration invested \$20,000 for a study that outlined the best ways to develop the park and

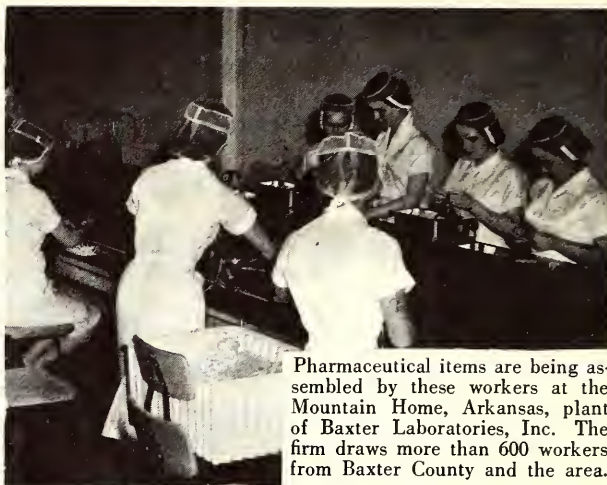
indicated the most suitable types of industry for the area.

In June 1966, EDA brought the industrial park one step nearer to completion. The Agency approved a \$1,355,000 grant and a \$1,355,000 loan for water and sewer systems serving the industrial tract and sections of Mountain Home.

Workers from three Arkansas and two Missouri counties are expected to find employment in firms attracted to the completed industrial sites.

The park's first occupant is the Douglas Aircraft Company, which will soon begin operations in a \$450,000 plant financed by local residents and served by the EDA-financed facilities. Douglas is expected initially to employ 100 workers in the sub-assembly plant.

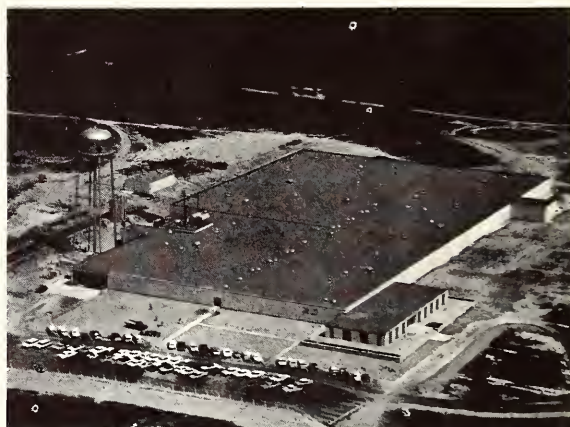
But Baxter County citizens aren't resting on their past successes. Using the recently completed EDA study as a guide, they are already mapping further long-range plans to attract additional companies and to create still more new jobs.



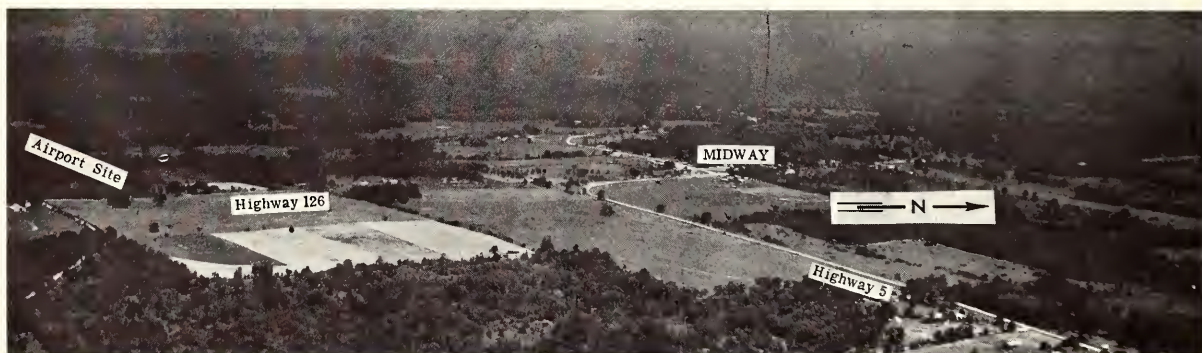
Pharmaceutical items are being assembled by these workers at the Mountain Home, Arkansas, plant of Baxter Laboratories, Inc. The firm draws more than 600 workers from Baxter County and the area.



These sewing machine operators are among the nearly 800 workers who are employed by the Mar-Bax Shirt Company in Gassville, Baxter County, Arkansas.



More than 600 workers are now employed in this Mountain Home, Arkansas, plant of Baxter Laboratories, Incorporated, a manufacturer of drugs and other pharmaceutical goods.



EDA is providing more than \$2.7 million for water and sewer facilities in the Baxter County airport-industrial park. The park, being developed by the Industrial Development Corporation of the Ozarks, is expected to be one of the largest industrial parks in Arkansas. Plant sites are located adjacent to the Twin Lakes Municipal Airport and within an area southeast of Midway formed by the juncture of State Routes 126 and 5 (see photo above).

Sunflower Seeds: Nourishment For A Small Town

In a Classic Example of Self-Help, Gonvick, Minnesota,

Businessmen Create a New Industry in the U.S.

So They Can Help Their Economy

A \$1-million sunflower oil extraction plant, first of its kind in the United States, is being constructed this summer at Gonvick, Minn.

Sun Plant Products, Inc., has completed negotiations for private financing in Minneapolis to supplement previously arranged loans from government sources and local investment, according to Victor H. Aalbu, president of the company.

Under the arrangement, First Midwest Capital Corp. of Minneapolis is investing \$200,000 in working capital in the enterprise, which it is hoped will stimulate the economy of northern Minnesota. Another firm, I. S. Joseph Co., also is participating.

"These funds, now on deposit in Twin Cities banks, will be released for purchasing the fall crop of sunflowers when the plant is completed in September," Aalbu said.

Other financing which makes construction of the plant possible includes a government loan under the Economic Development Act for \$487,500 and a State of Minnesota loan for \$150,000 through the Department of Business Development. Additional financing will be provided by the company itself through sale of stock.

A classic example of the way private industry and government can work together to improve economic opportunity in underdeveloped areas, the new development promises to have strong impact in the northern Minnesota area:

- Provide northern Minnesota farmers with \$1,500,000 income.
- Offer farmers an opportunity for crop diversification.
- Add an annual payroll of about \$175,000 to the Gonvick community.

"That plant," says George Beito, Jr., president of Northern State Bank of Gonvick and Northern State of Thief River Falls, "doubles the assessed valuation of the community, heaps a few coals on our livestock industry, and provides a return to farmers of \$45 per acre as opposed to \$25 for oats.

"Aalbu, in his role as newspaper editor, came up with the idea while casting around for a way

to improve our economic climate, and he has carried the idea to its present state. A small plant, Sun Plant will bring four or five families to Gonvick and eventually employ 20-30 people, but it's remarkable what fruits such an enterprise can bring to a small community in a depressed area."

A community "bootstrap" operation, Sun Plant Products, Inc., is the outgrowth of a study by a Gonvick development committee. Its objective when the survey began in 1960 was to find a way to improve the economic potential in the agricultural areas of Clearwater, Polk and Red Lake counties. The original study was sponsored and financed by the Gonvick Community Club.

The study showed that the climate of northwestern Minnesota is ideally suited to raising sunflowers. It also revealed that while production of sunflower oil is relatively new in the United States, it ranks fourth in world vegetable oil production. The biggest producer, with nearly two-thirds of the world's production of sunflower oil and other by-products, is Russia.

Estimated world production for 1967 is 3,100,000 short tons—more than double the quantity produced in 1959, according to U. S. Department of Agriculture figures. Though Russia produces by far the largest quantity of sunflower seeds, production in the United States is growing rapidly.

One of the reasons for increasing interest in sunflowers for oil is the development of new varieties, which will outproduce soybeans by some 200 pounds of oil per acre. Sunflower oil, like soybean oil, is a high-quality poly-unsaturate used in the edible oil market and in the manufacture of plastics and other industrial uses.

As a result of the study, Gonvick area business provided funds for construction of a small plant in 1962. Originally capitalized for \$50,000, the plant used sunflower seeds to manufacture confectionary-type items such as salted and roasted nuts in the mixing of birdseed.

In 1965, following several years of successful operation, Sun Plant Products executive officers

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began thinking in terms of a larger operation. Plans were drawn for a sunflower oil extraction plant capable of producing 30 tons of oil per day.

Melvin Stolquist, with years of experience in the seed and grain business, was named general manager of the proposed oil extraction operation and also was elected executive vice president.

Sun Plant Products is a Minnesota corporation, incorporated under the laws of the state with authorized common stock of 250,000 shares, having a par value of \$2. An 11-member board of directors, mostly Gonvick area businessmen, directs the business operation.

In addition to production of sunflower oil, the plant will continue to produce confectionery items from sunflower seed. Another potential profit-making product will be sunflower seed meal, which could provide the basis for a thriving livestock industry in northwestern Minnesota.

"It's noteworthy," Beito points out, "that already many farmers around Thief River Falls have begun growing sunflowers".

Farmers in the area and also in North Dakota are expected to convert some 50,000 acres of tillable land to growing sunflowers, providing the raw material for the new plant.

Alan K. Ruvelson, who as president of First Midwest Capital has seen many community development efforts, is impressed with the sound

approach taken by the Gonvick businessmen. "With an intelligent and imaginative approach, those people took the time to find out what agencies and companies could help a depressed area.

"They took what they already had—farmers—and used them to advantage so they could generate more cash income. This kind of operation now is being run successfully at Altoona, Canada, so it's no pie-in-the-sky."

Ruvelson says the enterprise is significant because the plant will operate in an area with few alternatives for cash crops. "It's a good package," he says. "It does several good deeds—brings people and money to Gonvick and gets the U. S. started on a crop that was virtually non-existent previously—and also makes a profit.

"Then, with this believable enterprise in hand, they went to Minneapolis and sold it with homespun honesty. They touched base with the government agencies, came to us for equity capital, went to I. S. Joseph for marketing expertise, and sold it to the banks."

"A plant of this size in a small Minnesota farming community is an excellent example of what can be accomplished by the combined efforts of community, government, industry and private investment capital. Working together, these forces will meet an economic need for the entire area," Stolquist said.

South Carolina County Follows Two Roads to Economic Growth

Jimmy Bromell made 450,000 bricks and drew wages of \$90 for a recent week in his job at Waccamaw Clay Products.

In an evening of that same week, Mrs. Edith Nisen of De Leon Springs, Florida, showed some furniture pieces at the Grand Strand Antique Show in the Myrtle Beach Convention Center.

Both Bromell and Mrs. Nisen were involved in the economic development program that has lifted Horry County, South Carolina, off the list of lagging areas eligible for EDA financial assistance.

The brick plant opened for business in March of 1967. The \$1.5-million business received an \$800,800 loan from the Economic Development Administration. The plant now has 70 full-time employees and a \$300,000 annual payroll.



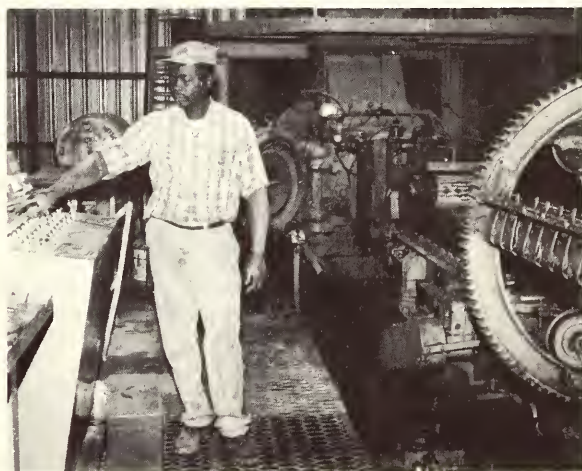
MEETING PLACE—The Convention Center at Myrtle Beach, South Carolina, was built with the assistance of a \$581,000 grant from the Economic Development Administration.

The Convention Center, financed in part by a \$581,000 EDA grant, was opened in October 1967. It now employs 20 persons directly and contributes substantially to the economy of the city and county through the 40 to 50 events such as antique shows, entertainments, beauty pageants, and conventions that Myrtle Beach now can accommodate handsomely each year.

Seasonal Economy Sharpened Problem

Traditionally, the economy of Horry County has depended on the vacationers attracted by its ocean beaches and on tobacco growing. Both businesses are highly seasonal with peak employment in the summer, and the area's unemployment rate has soared in winter. In recent years, mechanization of agriculture has aggravated this problem; unemployment in 1963 averaged 7.4 percent, with the rate ranging from a high of 8.9 percent in February to a low of 4.2 percent in August.

As early as 1961, the people of the county began working with the Federal redevelopment program and drew up an Overall Economic Development Program. In the following years they amended and kept this growth plan up to date.



STEADY JOB—Jimmy Bromell operates a machine that makes 90,000 bricks a day at Waccamaw Clay Products. The plant was built with the help of an \$800,800 loan from EDA.

New Jobs Built Around Climate and Clay

Among the assets listed in their OEDP was the mild, pleasant climate, which could be expected to encourage visitors on a year-round basis. To stimulate off-season visits to the area, it was decided that a convention center at Myrtle Beach would be the answer. Another resource was a

large clay deposit that could be used for making bricks.

Waccamaw Clay Products was established with the support of local leaders and the people of the county. The Horry County Development Board, backed by widespread participation of small investors, put \$123,000 into the project.

George J. Bishop is president of the company, which molds brick that duplicates old Charleston hand-made brick of Colonial days. "Our clay is a little bit different and gives us some colors of brown that no other plant can produce," Bishop explains. As a result, the firm has won a wide market for its products, selling brick in all States east of Chicago.



POPULAR PRODUCT—Waccamaw Clay Products President George J. Bishop displays the Charleston brick his firm sells throughout the eastern United States.

Of the firm's 70 employees, all but three are from the immediate area. "At least 75 percent of our men were unemployed before coming to us," Bishop says. "Most of them had been farm laborers. At the suggestion of EDA we applied to the Labor Department for on-the-job training under the Manpower and Development Training Act. Most of our employees went through the training program."

Jimmy Bromell represents the human story behind the economic problems of Horry County and the coastal plain area. In his middle years and with a family of six, Bromell was unemployed before taking the 8-week on-the-job training course and beginning his steady job at the brick plant.

Bromell comes from a farm laborer background and still lives in a nearby rural area of Horry County. As the seasonal farm labor jobs dried up in recent years, Bromell went to other seasonal jobs. His most steady employment was 2 years spent as a gardener.

He describes the day he began operating a brick molding machine at Waccamaw Clay Products as "the happiest day of my life."

Over at the Myrtle Beach Convention Center, Mrs. Nisen was joined by other members of the National Association of Antique Dealers in exhibiting a wide variety of American memorabilia. Mayor Mark C. Garner says that the show attracted dealers, visitors, and shoppers from all over eastern United States.

The first event at the Center after it opened in October 1967 was a convention of a religious group that attracted 1,700 persons. Other events during the first winter season included an automobile show, a country music show, a church banquet, beauty contests, a symphony orchestra concert, stage presentations, and sales meetings.

"Because of the long lead time in booking conventions," Mayor Garner explains, "we have not entertained many big ones yet."

Off-Season Months Show Added Income

"But already the economic impact on the community is being felt through the generation of additional income during the off-season months," he adds. "The booking of numerous conventions for the remainder of this year, and into the year of 1972, indicates that the Convention Center will certainly fulfill the original purpose—to stimulate the economy of the area and provide additional employment."



BOOSTING THE ECONOMY—A crowd meets in the lobby during a recent event at the Myrtle Beach Convention Center.

The figures bear him out. The continuing efforts of the people of Horry County to stimulate growth already are paying off. With the seasonal fluctuation in jobs reduced, the county's unemployment rate is now under 6 percent, and the county no longer needs EDA financial assistance.

Self-Help Projects Provide Jobs and Housing

On the Rosebud Indian Reservation in South Dakota, Sioux Indians are on the trail of new jobs and new homes.

Thirteen hundred miles away in Philadelphia, formerly jobless workers are drawing paychecks while learning trades and helping to rebuild slum dwellings.

Problems on the Rosebud Reservation, where 7,000 Sioux live in an area larger than Connecticut, are vastly different from those in Philadelphia, where the population tops 2 million. Currently, EDA is cooperating with other Federal Agencies in financing similar projects in the two areas—and both are succeeding.

The idea on the Rosebud Reservation and in Philadelphia is to teach skills, create jobs and provide housing—all in the same process. Here's how the programs are developing.

Rosebud's economic problems are typical of many Indian reservations located on marginal lands in relatively remote areas. The primary industries of agriculture and livestock grazing provide only a subsistence level of income. The Reservation has a long history of joblessness. According to the Bureau of Indian Affairs, up to 65 percent of the Tribe's labor force has been unemployed. Many of those who do work do so only seasonally.

In late 1966, EDA joined with four other Federal agencies in a \$2 million effort to help the Indians help themselves. Under the plan, a plant for prefabricating 375 low-cost houses was established. Indians were trained for production work in the plant and for construction jobs on housing sites throughout the Reservation.

Members of the Tribal Council are officers in the non-profit Rosebud Manufacturing and Construction Company, which operates the plant. Earnings of the firm will be used to purchase supplies for additional buildings.

Materials were supplied by the U. S. Department of Housing and Urban Development, while the Office of Economic Opportunity provided funds for training and labor costs. The Public Health Service established needed water and sewer facilities, and the Bureau of Indian Affairs provided the manufacturing and construction equipment. EDA's grant financed construction of a building for administering the project.

Completion of the houses is scheduled for this month. Indians, with the help of experienced management, have handled most aspects of the program including site preparation, plumbing and electrical work.

The Tribe will own the houses initially, and the occupants will be expected to build up equity in

them by helping in construction and maintenance. After 6 years the title will be transferred to the occupants.

EDA currently is working with Reservation officials to see if the plant can be kept in permanent operation. Now under way is a technical assistance study to identify outside markets for the prefabricated houses or other products that could be produced in the plant. Sales and marketing assistance will be provided under the study if suitable buyers are indicated.

In north Philadelphia, reconditioned row houses are being sold to low-income families for as little as \$45 a month under a special Federal-local program.

Financing for this pilot program is being provided in a joint effort by EDA, the U.S. Department of Housing and Urban Development and the U.S. Department of Labor.

The program is operated by the Philadelphia Interfaith Interracial Council of the Clergy (IICC), representing 400 congregations. It was organized to help find solutions to the city's poverty problems.

The Council purchases slum dwellings for between \$200 and \$1,200, then hires a private contractor to restore the buildings. The contractors agree to provide on-the-job training for local unskilled laborers and are reimbursed for any loss of productivity resulting from the program.

Workers are paid \$1.75 an hour when they start training in trades such as carpentry, plumbing, plastering and electrical work. Salaries are raised as their skills improve, and several workers are now making more than \$30 a day.

About a dozen homes have already been sold by the Council, and scores of low-income families are on a waiting list for 100 additional units now being rehabilitated.

A two-bedroom house sells for about \$8,000 after restoration. Payments average \$45 a month and include utilities, taxes and insurance over a 25-year

period. Mortgages are guaranteed by the Federal Housing Administration and, under the special program, carry interest rates of from 3 to 6 percent, depending on the income level of the buyer.

The Philadelphia experiment is spreading to other cities, according to Samuel Alper, a retired manufacturer who manages the IICC project. Recently a sample house was opened to the public in Camden, New Jersey. The Camden project is being financed by the State of New Jersey and coordinated by the IICC chapter in Camden. Work is scheduled to get under way soon on five additional houses.

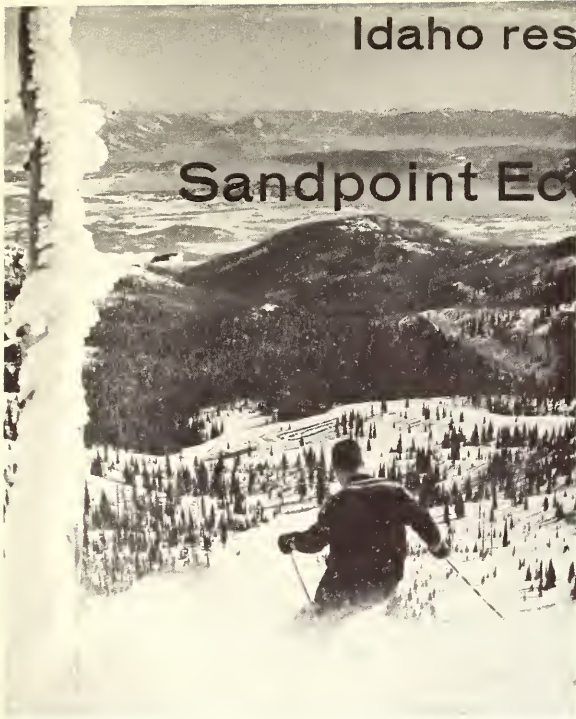
Alper reports that clergymen in Atlantic City, Newark and Paterson, New Jersey, and in Boston, and Springfield, Massachusetts, have contacted the Philadelphia Council for details on starting similar programs.

The problems on the Rosebud Reservation and in Philadelphia have many differences. But they also have striking similarities. They both demonstrate how cooperative efforts can combine a variety of programs to meet a range of human needs.

Idaho resort gets lift through EDA

Sandpoint Economy

Now Knows No Season



Many communities are lagging economically because of extreme seasonal fluctuation of employment in their basic industries. Often they can be aided by the programs of the Economic Development Administration.

An example is Sandpoint in the northern neck of Idaho, where winter feels much more like spring this year, and "There's a new look on the face of everyone walking down the street."

Four years ago it was literally a cold winter for many of the 4,356 residents of this Bonner County community. Their jobs were dependent on summer tourists, who flocked to the area to enjoy Lake Pend Oreille and scenic beauty, and on lumbering, a declining industry, which slowed its pace even more between November and April.

The summer-boom-and-winter-bust aspect was illustrated dramatically by unemployment figures — a crushing 18.7 percent without jobs in December 1961, falling to a rate of only 3.3 percent in June 1962. The overall annual average was running a discouraging 8 percent or more.

The people of Sandpoint decided to do something about the problem of creating badly needed winter-time jobs. They agreed that Schweitzer Basin, a favorite mountain attraction during the summer, could do double duty as a winter ski resort.

They formed Schweitzer Basin, Inc., a nonprofit community corporation, and raised more than \$200,000. Then they came to the Federal Government in October 1962, and obtained a \$345,000 loan under the redevelopment assistance program.

Schweitzer, Inc., opened its resort late in 1963, and was blessed with instant success. Ski buffs, many of them from nearby Canada, found the powdered snow and wide open slopes of Schweitzer "just wonderful."

Thirty thousand of them turned out in the first abbreviated season. In 1964-65, more than 50,000 skiers taxed the capacity of the resort's two lifts and central building. Expansion was in order. The community corporation held a new stock subscription and increased its investment to \$460,000. Then, in May 1965, it obtained a second loan of \$226,425 from what is now EDA.

A new lift began operating on December 30, 1965, and helped Schweitzer increase its business by another third and serve more than 65,000 skiers in 1965-66. The resort last year took in more than \$200,000 in lift fees alone.

Schweitzer directors credited package ski week ends and longer trips offered by the Northern Pacific Railroad and Northwest Airlines with providing much of last year's gain.



Most of Idaho's 67-mile-long Lake Pend Oreille is visible from the upper terminal of the mile-long double chair lift at Schweitzer Basin near Sandpoint. An EDA loan has helped the town create winter jobs and new income for area residents.

This year's season opened in November with indications it will be the biggest yet for the resort. Northern Pacific and Northwest are being joined by the West Coast Airline and Great Northern Railroad in larger promotions of package tours, and local motels are joining in these promotions. Plans are afoot to install lights on one slope to make possible night skiing.

Interest in Schweitzer comes from as far away as Minneapolis and St. Paul, Minnesota, and the University of Minnesota has plans to charter a special ski train to the resort this season.

In February 1966, the community inaugurated a Schweitzer Days Festival and crowned a Schweitzer Ski Queen. This promotion succeeded in stimulating attendance and will be repeated in February 1967, with more extensive promotion.

What has this meant to the area's up-and-down economy? In addition to the approximately 150 direct winter-season jobs created, there have been more than 100 other directly related jobs. This almost doubles the 150 jobs anticipated in a preliminary study of the resort's economic impact conducted by the Department of Commerce.

Existing motels, restaurants, service stations and other retail outlets have joined all types of service establishments reporting increased business.

In addition to the remodeling and enlargement of existing motels, large investments have been made in new accommodations. Now completed are the \$500,000 Schweitzer Inn, a \$500,000 40-unit motel, a \$300,000 downtown motel and restaurant in Sandpoint and the Schweitzer Village real estate and resort development consisting of a cooperative apartment project and dormitories. A development of A-frame homes is under way in the mountains.

Many Sandpoint businesses have expanded and remodeled, and several have put in ski equipment departments. The local residential and commercial building boom has made it difficult to find construction workers.

In discussing the goal of EDA, Ross D. Davis, Assistant Secretary of Commerce for Economic Development, recently declared: "The name of the game is 'changing the statistics' which are used to describe lagging areas as economic problem areas."

He added that EDA with its limited financial resources cannot hope to accomplish the job through direct investment alone, but must seek to stimulate the areas involved to make use of all resources available to reach the goal of reducing unemployment averages.

The changing statistics in Bonner County indicate that a community, following the blueprint of its Overall Economic Development Program and making the most of Federal financial assistance, has achieved a significant move toward that goal.



A giant PBV plane dwarfs boats on the Sandpoint beach in front of the new North Shore Lodge. The lodge is one of many private investments in tourist facilities that have been stimulated by EDA-financed projects in this mountain community.

That 18.7-percent unemployment rate of December 1961 showed a sharp decline to 10.3 percent in December 1963, Schweitzer's first year of operation. The following December the rate was down to 8.7 percent, and by December 1965, it had fallen to 6.3 percent.

Schweitzer was a community-wide effort with more than 700 persons buying stock. Shares were priced at \$10, and purchasers included waitresses, carhops and service station attendants, as well as local business and professional people. Among prime movers in the campaign were Mayor Floyd Gray, a theater operator; banker William Ballard; publicist Jim Parsons, Sr., and editor Lauren Pietsch.



Schweitzer Basin now offers both summer and winter activities, described in this promotional brochure, thanks to local-Federal co-operation. Development of a year-round tourism industry has given Bonner County 250 new jobs and overcome the burden of seasonal unemployment.

An enthusiastic stock salesman was Congressman Compton I. White, Jr., a Bonner County native. Congressman White said, "Schweitzer has fully realized an all-year potential. There's a new look on the face of everyone walking down the street in Sandpoint."

The *Sandpoint News-Bulletin* in a front-page editorial put it this way: "We've not only developed what may well be one of the greatest ski areas in the world, but we've learned that we can work together as a powerful and effective team. It portends many an accomplishment in the years ahead."

Prospects for the dying community could hardly have been bleaker. Then two dedicated people arrived with an idea--and misery is moving out

Awakening in Appalachia

Condensed from CONTEMPORARY

JOSEPH P. BLANK

A SIGN that points the way to better times for poverty-stricken southern Appalachia stands inconspicuously off the road in the tiny hamlet of Laurel Bloomery, Tenn. It reads "Iron Mountain Stoneware." Beyond it, huddled against Iron Mountain itself, is a long, low, green building in which fine ceramic tableware is produced for distribution in 46 States.

"A lot of people thought that the idea of such a plant was a pipe dream," says Mayor Blake Atwood of nearby Damascus, Va. "They figured it could never happen. But it did happen, and it made a good number of people realize that a community *can* change if you work for it."

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The change is beginning to show all through this 300-square-mile area that straddles the border between Virginia and Tennessee. In Damascus, a town of 1500, a new supermarket has opened. The streets have been cleaned of litter and are newly lighted. When the town needed a clinic to attract a doctor, more than 400 people chipped in \$42,000 to build it.

Eight miles across the border, bright, well-built homes are cropping up on the outskirts of Mountain City. A large automobile agency has opened. Twenty-five local residents invested \$125,000 in a first-class, 20-unit motel. Between the two towns, a shoe plant has opened, employing more than 300 men and women. The touchstone for all this has been Iron Mountain Stoneware.

In a way, IMS *was* a pipe dream. The dreamers were dark-haired, intense Nancy Patterson, a professional ceramist, and Albert K. Mock, Jr., a driving architect-businessman, now 39 years old. After spending more than a decade working as a designer for leading potteries in California, Denmark, Finland and Taiwan, Nancy wanted to set up her own business. At a meeting in Boston arranged by a mutual friend, she told Al, "I have the know-how to turn out high-quality stoneware at competitive prices. I want to open a plant, but I need a person like you who knows about organizing a business."

For the previous nine years, Al had shuttled between Japan and Boston as architect-president of a Yokohama company that built racing sailboats. Now he yearned to go back to the Appalachian Mountains, where he had been raised, and where his family had lived for five generations. "I like the mountains and the mountain people," he says. "It was here that I wanted to establish my equity in life. I knew the area couldn't support an architect, though. If I came back, I'd have to create a job or a business."

Nancy's idea seemed to light a path home. "Let's go down to Appalachia and look around," he urged. "I've got a hunch that the land of opportunity may be where things are worst."

They made their first trip in mid-1962. To Al, the beautiful mountains were a mocking backdrop to the economic plight that gripped these communities. The little towns of Damascus and Mountain City looked run-down and apathetic. Empty stores and movie houses stared into the streets. The shell of a big furniture factory, once the single industrial support for both towns, lay in decay. The region's agriculture had lost out to the mechanized farms in the

lowlands. The mines had petered out. The land simply could not support the people.

Beneath the bleak conditions, however, Al saw opportunity. After several visits he said to Nancy, "Let's pitch our tents here. You've found high-quality clay nearby. Plant sites are cheap. We have plenty of available labor." He paused. "And God knows these folks need someone to believe in them."

Nancy didn't have to be persuaded. She had come to feel a kinship with the people and the land.

The first big problem was financing. Under the guidance of the Johnson County Industrial Commission, an organization of local businessmen formed to attract industry, Al turned to what is now the Economic Development Administration of the Department of Commerce. Its primary function is to stimulate local initiative by providing seed money to distressed areas in the form of industrial loans. After careful investigation, the agency decided that the stoneware market was sound and that Nancy and Al had the creative and management ability to turn their idea into a going business. A loan of \$107,000 was approved. The two banks in Damascus and Mountain City followed with loans totaling \$36,000.

Al and members of the Industrial Commission then took to the road to sell stock. "We want as many local people as possible to own a piece of this business," they told prospective customers. "We don't want the profits made here to drain off to investors 500 miles away."

The townspeople listened respectfully to Al's offer of stock at \$10 a share. When he left, however, they remained dubious. "How can he raise money around here?" they wondered. "Nobody ever heard of a ceramics plant in these mountains."

One man said, "Well, we *need* people to try something to change the way we're going." In time, a lot of men reached that conclusion. Stock was bought by an accountant, a dentist, several farmers, a filling-station operator, a minister, store owners, and Al's and Nancy's families. The woman who sold Al and Nancy the factory building site at the foot of Iron Mountain bought stock with part of her payment. So did the company that graded the site for construction. In all, more than 125 people put \$130,000 into IMS stock.

Late in 1964, word drifted across the mountains that a new plant was going to be opened in Laurel Bloomery. Men and women, 409 in all, ambled down from the hollows to ask if they could put their names down for a job. They brought with them an air of defeat. "You haven't got a job for me, have you?" they would ask. Some averted their eyes, as though afraid they'd be thrown out if Al and Nancy noticed them clearly.

News of the company's creation also reached the Council of the Southern Mountains, a Berea, Ky., organization which has spent more than 50 years trying to improve conditions in the mountains. In a

meeting with Al and Nancy, the Council's job-training specialist said, "We know there are no ceramics workers around here, so you'll have to train your own people. We'd like to help you, and we hope you'll go along with an idea of ours. Instead of teaching the young, energetic, easily trainable adults, would you take on the older people? The unemployed. The unskilled. Those who have suffered the worst from the depression here. Not only will it help these people, but it will prove that one of our great resources is a supply of dependable workers."

Al and Nancy said yes.

Assisted by two Council interviewers, the IMS management eliminated nearly every applicant who held a job or lived in a family where any member held a job. They ignored age, education and job experience. Their primary criteria were: Who most needs the job? Who seems most capable?

Of the 409 original applicants, 85 were selected to take a simple aptitude test. Seventy scored low. Nonetheless, 45 were finally admitted to the training program. Most were over 35. They averaged four dependents each. Some had been on welfare. One man had not worked more than four months a year during the previous decade. Another said, "I've been doing just odd jobs all my life." The women were widows with children, wives with sick husbands.

Only two local stockholders objected to the choice of trainees. "You've got a man up there that everybody knows is unreliable," one of them said to Al. "He'll make mistakes and ruin you."

"I know about him," Al answered. "He stays. I think we're going to do him some good, and he's going to do us some good."

The training program was supported by the U.S. Department of Labor. During the 40-hour-a-week, 10-week course, the trainees received the equivalent of unemployment compensation, \$28-\$36 a week, plus a travel allowance. On the eve of the course, Al told the class, "Not all of you will be hired at the end of training. We'll start production with a payroll of only 15, then build up as fast as we can." None of the trainees was dismayed. None dropped out. They didn't want to let go of that precious necessity of life—hope.

At first, the trainees were apprehensive about their ability to learn, but gradually they grew absorbed in the craft. They mixed clay, then worked, bent and shaped it. They learned how to make handles, to jigger bowls, plates and cups, and to apply glazes. They shaped animals, glazed and fired them, and were delighted with the results that came out of the kiln.

At the end of the program, in June 1965, the proud trainees received Department of Labor certificates before an audience of 700. During the ceremony, which also celebrated the opening of the plant, Al had trouble keeping his eyes dry. "If it all stopped right here, it would be worth it," he said to

a friend. "These people have shown that they can become assets to any business."

One year later, Iron Mountain Stoneware was turning a profit. Today, across the country, more than 600 retail stores—stores such as Marshall Field in Chicago, Georg Jensen in New York, Rich's in Atlanta—are selling \$400,000 worth of the company's stoneware a year. Moreover, IMS has made it unnecessary to pay out thousands of dollars a year in welfare and unemployment compensation that its employees had formerly been receiving. And more than \$100,000 a year in new wages is being spent locally.

But the most significant accomplishment is seen in the people themselves. The man who had been condemned as "unreliable" is a skilled, responsible worker. Many of the 30 employees have painted, expanded or improved their homes. They dress better. They're trading their old cars for more recent

models. Their children are no longer kept out of school for want of decent clothing and lunch money.

"I just feel good now," said a highlander who had never been out of the mountains. "It does terrible things to you to be out of work for a long time. A man with a family can't feel like a man if he ain't got a job."

Iron Mountain Stoneware is not the total answer, of course, to the problems of Appalachia. But it is certainly an important step toward an answer. "We need to reverse the brain drain," says Loyal Jones, executive director of the Council of the Southern Mountains. "For many years our better-educated people have left this area. We need them to come back. If that stoneware plant could take hold in Laurel Bloomery, using native resources and people, then other businesses can take root in hundreds of communities across these mountains."

LOOK TO THE FUTURE—In this artist's conception of Waterville Valley's village, designed for pedestrians, ski lifts are shown rising out of the village center. Development is already under way, with two lodges and a restaurant-lounge constructed.



SOFT RIDE—A skier starts her climb up White Peak Mountain on a foam-padded chairlift in front of base buildings of Waterville Valley ski resort.



SERVING SKIERS IN THE WHITE MOUNTAINS—One of the two base complex buildings at Mt. Tecumseh in Waterville Valley, this building contains a cafeteria, nursery, and post office.

Ski Resort Lifts Job Level In New Hampshire County

In its second season of operation, the ski resort of the Waterville Valley Company, financed with the aid of a \$1.3-million EDA business loan, is having a substantial economic impact in the White Mountains area of New Hampshire.

At the end of January this year, the Waterville Valley Company had 180 employees and a payroll of \$16,500 a week.

Through January, the number of skiers on the 19 slopes on Mount Tecumseh and 6 slopes and trails on Snow's Mountain across the valley had more than doubled from the previous year, totaling 63,116 compared with 29,939 in the 1966-67 season.

The Waterville Valley Company operates four Styrofoam-padded double chairlifts, as well as a T-bar and a J-bar on Mount Tecumseh. Two more T-bars on Snow's Mountain bring its capacity to 7,700 skiers an hour, the highest in the State.

Officials of the firm credit an earlier start, good weather, and more efficient operation of the snow-making equipment for the surge in business. Also helpful has been a story in the February issue of *HOLIDAY* magazine on the ski resort. The article hailed the resort as the magazine's "Discovery of the Month."

The resort has stimulated a number of indirect new jobs in Grafton County as existing businesses have expanded and nine new establishments have opened. The nine include two ski shops, two restaurants, and five lodges. These facilities, in turn, are expected to spur an increase in the traditional summer tourism industry of this valley, which is surrounded by 4,000-foot peaks.

Migration is "In" for 32-county area as

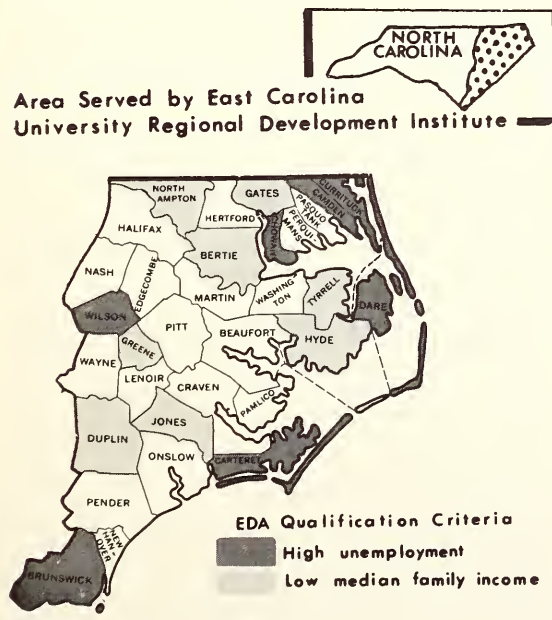
East Carolina Institute Brightens Business Outlook

There has been a tremendous change in attitude in eastern North Carolina in the last few years. There is now a mood for change and growth in the area. I can't say the rest will be easy, but we are on our way."

This statement by Thomas W. Willis, Director of the East Carolina University Regional Development Institute, sums up what he believes has been his agency's greatest contribution to the 32 counties it serves—an assist in changing the outlook of business and community leaders.

The East Carolina Institute in Greenville, N. C., is financed largely through technical assistance funds from the Economic Development Administration. It received \$129,000 from EDA on June 1, 1966, and another \$130,000 in June 1967, to continue its program. The State of North Carolina invested \$30,000 for each year.

Area Served by East Carolina
University Regional Development Institute



In its first 2 years, the Institute has identified 825 jobs it has helped to create and 55 others it has helped to save for the area.

Economic Decline Set Stage for Institute

This section of eastern North Carolina has been an agricultural community since colonial days. Moreover, its economy has been dependent almost entirely on small family farms producing one cash crop—tobacco.

For the small farmer, this often meant borrowing in the spring and summer to pay for producing and harvesting the crop. Then followed a brief period of comparative wealth when the golden leaf was sold in the fall.

The pattern was repeated for other segments of the community. Merchants found business prospering in the fall and early winter, dragging and with more credit extended in other seasons. Economic growth was slow, and for years the area's chief exports were tobacco and its better educated, more aggressive young people, who moved elsewhere to look for jobs.

But for hired farm workers and laborers in tobacco-processing plants, mostly Negroes, the situation was at its worst. Farm hands lived in cottages on the farms or in the Negro sections of the many small towns, where they usually were picked up by farmers and driven in trucks to work in the fields at day rates.

The people who worked in the processing plants were a little better off. They had full-time jobs for 12 weeks in the marketing season. But the wages, while better than for field labor, were low by national standards. And the 9 months of the off-season often found them existing on what they could obtain from pickup jobs or welfare.

In the last few years, however, the situation for these people got worse.

Mechanization and new techniques of growing, harvesting, and marketing tobacco eliminated most

of the farm laborer jobs. At the same time, constant prices for tobacco and rising production costs have spurred a trend to larger farm units to achieve efficiency, with the result that many family farms have disappeared.

Consequently, many of the farm workers migrated out of the area—to the Piedmont section of the State where strong industrial growth has taken place, or to the large metropolitan areas of the eastern seaboard.



AID TO DEVELOPMENT—East Carolina University leaders and students review community data being fed from the campus computing center in which the university's Regional Development Institute has a large stake. From left are Mrs. Tennala A. Gross of the ECU computing center staff; John Williams, student assistant on the computing center staff; Thomas W. Willis, Director of the Regional Development Institute; and Willis Dixon, computer programmer on the Institute staff. (*ECU News Bureau photo*)

Other than agriculture, the east Carolina area's chief industries are commercial fishing and recreation and tourism based on the attraction of Atlantic Ocean beaches. Like tobacco farming, both are highly seasonal in nature.

Of the 32 counties served by the Institute, 15 are qualified for EDA financial assistance. Eight counties that qualify on the basis of low median family income are Bertie, Duplin, Gates, Greene, Hyde, Jones, Northampton, and Tyrrell. Qualified because of high unemployment are Brunswick, Camden, Carteret, Chowan, Currituck, Dare, and Wilson Counties.

Census figures show that the 32 counties have a median family income of \$2,823 a year, compared with \$3,318 for the State and \$5,660 for the Nation.

It was to do something about this condition and encourage an economic rebirth to create the necessary new jobs that Dr. Leo W. Jenkins, President of East Carolina University, established the Regional Development Institute in April 1964.

Concentrating its efforts in areas not covered by existing government or private development programs, the Institute has collected and stored data on economic conditions in 200 towns in the 32 counties, conducted a program of continuing education for businessmen and industrialists, worked with local communities to establish continuing economic development organizations, and conducted economic studies and worked to implement them.

Today, an industrialist wishing to establish a plant anywhere in the area has available from the Institute's computer service more than 4 million pieces of information. After he states the requirements for the new business, the data bank can tell him instantly what town or towns meet his needs.

In addition to business management counseling for individual small businessmen and industrialists in the area, the Institute conducts formal study courses in conjunction with the university's School of Business.

Starting last month and continuing through May 9, the third annual Executive Development Seminar is being conducted. It features specialists in such management fields as marketing, human problems and personnel, financing, accounting, and logistics.

Participants in the course have included not only small businessmen, but representatives of such giants of industry as the Du Pont Company, Weyerhaeuser, and the Texas Gulf Sulphur Company.

In working with local governments to encourage support for economic development, the Institute has had some of its most marked success, according to Director Willis. "We have persuaded 5 counties to organize development commissions," he says, "and in 11 other counties we have worked to get stronger support for existing commissions."

Jobs Give Measure of Program's Success

It is in its work with development groups and with existing and prospective industrial firms, however, that the Institute has had its immediate success in helping to create or save jobs for eastern North Carolina. In addition to the 880 jobs created or saved, Willis says, there are 685 potential new jobs in projects announced or under construction.

Here are some examples of specific projects conducted by the Institute.

- *Studies aimed at helping to diversify seasonal tobacco-processing plants in Greenville.* In cooperation with the firms, the Institute tested a large number of seasonal employees and found that many of them have the education and aptitude for work in other types of industry. The Institute is compiling a brochure describing the management, physical, and fiscal assets of the companies. The

processing firms will use the brochures in negotiating with interested industrial prospects. Willis says four firms have "committed several million dollars for product development, merging with other firms or buying out other firms in the diversification effort." As a result of the effort, he says "we expect that as many as 1,000 workers will have year-round jobs."



YEAR-ROUND JOBS ON ORDER—Employees at an eastern North Carolina tobacco plant sort piles of tobacco. The East Carolina University Regional Development Institute is attempting to diversify tobacco-processing facilities such as these in order to utilize personnel and facilities on a year-round rather than a seasonal basis.

• *Finding a site for a \$32-million fertilizer manufacturing complex that will employ 160 persons with a \$1-million-a-year payroll in Hertford County.* The Farmers Chemical Association of Chattanooga, Tennessee, was seeking land close to a railroad and with barge access to large phosphate deposits in Beaufort and Hyde Counties. The Institute staff worked with development representatives of the Seaboard Coast Line Railroad and the Virginia Electric Power Company in locating 1,200 acres near the railroad and adjacent to the Chowan River, and in convincing the owners to sell the land. The firm expects to be in operation in September 1969.

• *Diversification for a food-processing firm in Windsor.* The Institute suggested that production of dried bean soups, dehydrated pumpkins, and pumpkin seed for bird feed would allow the plant to operate for 12 months rather than 7 months a year. The firm is following up on the study and expects to add 12 new workers.

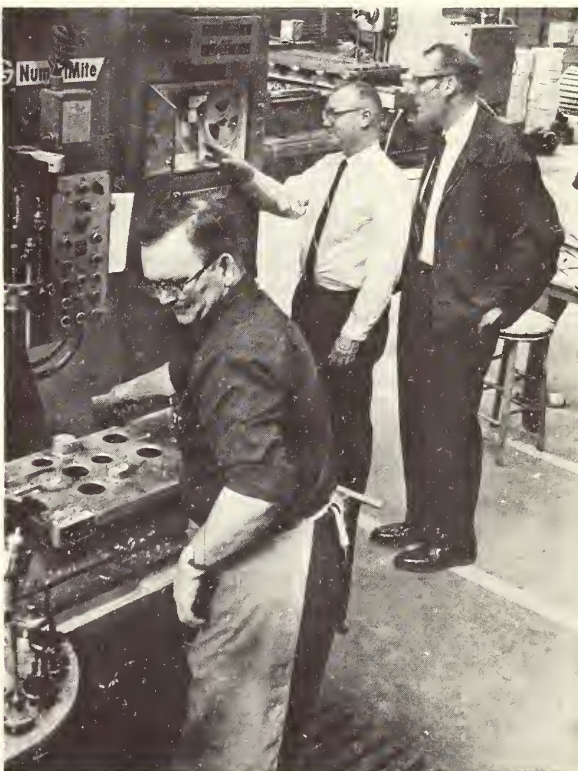
• *Development of a deepwater industrial site at Beaufort in Carteret County.* The Institute worked with the Carteret County Industrial Development Commission to contract with an engineering firm to determine the feasibility and cost of filling land to create an industrial area. The consultant found that a 500-acre industrial area could be developed

at a cost of about \$5.6 million, including bulkheads. Willis says that the potential total industrial development in the area could total \$200 million, with an eventual 3,500 jobs involved.

These are only a few of the 80 projects the East Carolina Institute worked with in the last fiscal year.

Commenting on the outlook for the future, Director Willis says: "Because we have hundreds of miles of coastline and attractive beach land, much of it undeveloped, we plan to concentrate much of our future effort on the recreation, tourist, and commercial fishing industries.

"Although we have only scratched the surface of industrial development in eastern Carolina," he adds, "the people of this area in the last few years have stopped the out-migration. We believe we are on the way to becoming a strong and growing area with a new trend of in-migration."



GROWTH THROUGH EXPANSION—The Winterville Machine Works, Inc., Winterville, N.C., obtained a loan for expansion with assistance from the East Carolina University Regional Development Institute. The expansion made possible 20 new employees at the company. In this interior view, Winterville management executives Ronald Carroll (center) and Boyce Barwick (right) inspect a program tape in a computerized machine, while in the foreground machinist E. O. Forlines guides an intricate operation. Winterville Machine does chromeplating along with its varied custom machine tooling. (ECU News Bureau photo)

Trouble-Shooting Problems of Chicago's Industries

How city works to keep plants and attract new ones

by Thomas Buck

A window shade manufacturing company in Chicago with 1,500 employees recently took an option on a tract of suburban land with intentions of moving all operations to a new plant.

Company officials, however, began planning with considerable reluctance.

The company was accustomed for 50 years to the many conveniences of being near the busy heart of Chicago. A move to the suburbs probably would mean that many employees would be left behind and that the company would be faced with recruiting new employees in an outlying less populated area.

But the company needed a large single tract for expanded and more efficient operations. It already had expanded several times by acquiring five buildings, but some of the buildings were separated from the main plant by streets, all of which caused certain inefficiencies.

News of the company's plans leaked out.

Representatives of the city contacted the company with a plan for vacating certain streets to provide an unbroken tract for various buildings.

Also contacted were neighborhood groups, other industries in the area, and other city agencies that might be involved. An agreement was soon forthcoming and the company dropped its plans to move from the city.

The agency carrying out such assignments of industrial trouble-shooting is the staff of the Mayor's Committee for Economic and Cultural Development. This committee was created in 1961 by Mayor Richard Daley, who named 175 leading citizens as members. In April 1967, EDA provided a \$240,000 technical assistance grant to assist the committee's operations.

The committee consists of a heavy representation from commerce and industry, the major civic organizations, labor and education.

"Our economic program has a two-fold objective," explains Paul N. Zimmerer, executive director of the committee.

"One objective is conservation—to help industry to stay in Chicago and expand.

"The other objective is new development—to stimulate the utilization of vacant land by industry and to help in special projects, such as a current program for aiding the full industrial use of the old stockyards area.

"However, we believe we are aiming at a much broader objective than just industrial development. Our objective is economic development, which we define as industrial development—keeping and getting new industry—plus securing the support of communities for industry," Zimmerer states.

This work by the committee with individual companies, large and small, can have a considerable impact each year.

In 1967, for instance, the committee's staff was in touch with 307 companies with an aggregate employment of 37,700. Of this total, 104 companies were new contacts for the committee, having been referred to the staff by other companies, other city departments, or cooperating private agencies.

The EDA technical assistance funds have helped the committee expand its program to help industry by setting up the Mid-Chicago Economic Development Project.

Besides retaining and strengthening industry within the city, the Project also has the objective of reducing a high level of unemployment in certain parts of the inner city, mostly in neighborhoods of predominantly non-white populations.

Also important in the Mid-Chicago Project is the desire by the city administration to maintain—and increase wherever possible—the Chicago property tax base.

In striking at the "hard core" economic problems of the inner city, the Mayor's Committee has planned the program for an area with about one-fourth of the city's total land area and with more than one-third of the city's population.

Within the area, according to the 1960 census, there is a population of 1,159,885, with 681,190, or

Condensed from COMMERCE, March 1968, publication of the Chicago Association of Commerce and Industry

nearly 59 percent, being non-white. The census also showed an unemployment rate of 9.3 percent at that time. However, major pockets of unemployment of 25 to 30 percent were found in the area.

As the first step in a broadscale attack on the inner-city industrial problems, interviewers are contacting top executives of more than 1,500 companies.

The purpose of the interviews is to learn at first hand the various problems of each company to determine how city government, community and neighborhood organizations may help effectively.

In addition to this, however, much of the work of the committee staff is to continue trouble-shoot-

ing efforts. In some instances, this effort may well involve large projects such as a program under way for 80 acres in the old Chicago stockyards area.

In late 1967, EDA designated the stockyards area as a "redevelopment area" eligible for the full range of the agency's financial assistance.

Two new roads are currently being planned for the area that will open up now vacant acreage.

It is estimated that the improvements will lead to an investment of at least \$21 million in new plants and the creation of approximately 7,000 new jobs in three years. In the long run, the investment may hit \$45 million and the creation of at least 15,000 new jobs.

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